

# INTERNATIONAL Herald Tribune

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## Rebellion Reported In Major Syria City

From Agency Dispatches  
WASHINGTON — Syrian rebels have staged a major uprising against the government of President Hafez al-Assad and the city of Hama 120 miles (192 kilometers) north of Damascus has been sealed off, informed U.S. sources said Wednesday.

The uprising appeared to be confined to Hama, the sources said.

They said there was an unusual intensity of violence in the uprising but they had no estimate of casualties.

In New York, the Syrian Committee for Human Rights said it received a report from Damascus Tuesday night stating that rebels had taken over Hama, a city of 170,000 people, the country's fourth largest, and were joined by rebel troops who distributed arms to the people. The committee said the uprising began a week ago Tuesday and that government pilots had disobeyed orders to bomb the town.

Hama is a center of the fundamentalist Moslem Brotherhood and has a large population of Sunni Moslems. Mr. Assad is a member of the Moslem Alawite sect.

The U.S. sources who reported that the city had been sealed off also said that there had been military engagements in which the government forces had apparently used armor, artillery and aircraft.

The sources said there were problems in getting detailed information on the uprising but they said it appeared to be serious.

Monzer Kahl, head of the human rights committee, said government troops sent to recapture the city were stopped when rebels blew up a bridge about 70 miles from Hama.

Mr. Kahl said his group had received a report from Damascus that the rebels were occupying the airport at Hama, its military barracks, police stations, Ba'ath Party headquarters, and government warehouses.

He also said his group had received reports of street fighting in Aleppo, Syria's second largest city with a population of 1.8 million.

Diplomatic sources in Amman last week said the Syrian government was planning a major military operation to wipe out the Moslem Brotherhood-led opposition in Hama.

They said that forces headed by Col. Rifaat al-Assad, the president's brother, had surrounded and virtually cut off the town from the rest of the country in preparation for a sweep of the city. Plans for that crackdown came about three weeks after extensive arrests of military personnel suspected of having Moslem Brotherhood sympathies. The Syrian information minister, Ahmed Iskandar Ahmed, has admitted that 18 army officers have been arrested but denied that there was an attempted coup.

**Long a Stronghold**  
Hama, which is the only city where there have been continuing reports of major opposition to Mr. Assad's government, has long been a stronghold of the Moslem Brotherhood and had caused the government problems long before the current opposition activities began about two years ago.

The government reportedly had launched a major drive against the Moslem Brotherhood in July.

## Calm Day in Gdansk, Waiting for Spring

### Enforced Normality Fails to Hide A Discontented, Harassed Mood

By John Danton

New York Times Service

GDANSK, Poland — All was quiet inside the Lenin Shipyard — quiet but not quite normal. "How can anything be normal?" asks a 42-year-old worker in a yellow hardhat standing to one side of the cavernous K-1 hull shop as automatic cranes swept back and forth carrying pieces of steel on giant magnets.

"We had our union and our leaders. They suspended our union and arrested our leaders. So now we have to fight all over again — things must be the way they were before."

The shipyard, the birthplace of the Solidarity independent labor movement and the scene of strikes since martial law was imposed Dec. 13, was one stop on a seven-hour, tightly run tour of Gdansk given Tuesday to 95 journalists, cameramen and translators.

Most of the reporters were from the West, except for a few

from Hungary and Yugoslavia. The government set up the tour to support its contention that Gdansk, where there were street clashes less than two weeks ago, is now like the rest of the country: calm, hard-working and secure.

But Gdansk is not like the rest of the country. In reaction to the Jan. 30 street fighting, authorities have imposed an 8 p.m. curfew, as compared to the 11 p.m. one elsewhere. All phones have been disconnected and private cars have been banned from the streets.

Even a quick ride down the main thoroughfare inside a sealed bus is enough to get a sense of how harassed and restless the people are.

There are high crowds in front of food stores, which have little food, bundled figures waiting in the snow. The concrete islands used as street stops are so overcrowded that some persons stand in the street.



Foreign journalists conduct an interview while in Gdansk.

The paramilitary Zomo policemen, in distinctive blue uniforms, walk up and down the sidewalks, in groups of three to five. (There are reports that young children taunt them in an effort to lure them into alleyways where older children wait to attack them.)

At the airport there are three tanks. In the port of Gdynia, just

north of Gdansk, a guide makes a presentation: 9 million tons of freight were unloaded last year, such and such a pier is 800 meters long with six cranes, everything is working normally, as you can see.

At one pier, the operator of a forklift is surrounded by ovens. With television cameras pointing at him and notebooks

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## Madrid Rights Meeting Seems Nearing Collapse

By James M. Markham

New York Times Service

MADRID — The troubled Madrid Conference on Security and Cooperation in Europe Wednesday appeared to be heading toward swift adjournment as the Polish delegation indicated that it will continue parliamentary maneuvers that Tuesday had prevented eight foreign ministers from delivering speeches attacking the military crackdown in Poland.

At a stormy session Tuesday, U.S. Secretary of State Alexander M. Haig Jr. and five West European foreign ministers assailed the repression in Poland as a violation of the 1975 Helsinki accords, which have been discussed for the last 15 months. But Poland, which chaired the meeting, abruptly halted the talks, contending that time had run out.

Wednesday morning, the Polish diplomat who led the stalling operation, Wlodzimierz Konarski, was sharply criticized by diplomats from Western and neutral nations when he virtually acknowledged that he had agreed to disrupt a "pre-planned NATO scenario" rather than to enforce a highly dubious procedural interpretation.

According to several participants in the private meeting, Mr. Konarski suggested strongly that the Soviet-supported disruptive tactics would continue at a plenary session Friday, when Poland should take the chair to Portugal. Several Western officials, including Lord Carrington, Britain's foreign minister, and Claude Cheysson, France's minister of external relations, intend to speak. The French foreign minister was known to have been incensed at being blocked from speaking Tuesday.

The foreign ministers of Norway, Turkey and Switzerland took advantage of a normally routine meeting on delegation heads Wednesday to deliver the addresses they had expected to give Tuesday. The Swiss envoy, Pierre Aubert, declared that "the spectacle we have witnessed yesterday" had strengthened his government's conviction that the Madrid meeting should be rapidly suspended for a few months.

The diplomats' speech attracted attention because neutral Switzerland played an important part in drafting a compromise document which both the United States and the Soviet Union welcomed on Dec. 16 as a possible basis for concluding the Madrid meeting. But Mr. Aubert renounced the proposal Wednesday because of what he called the violation of human rights in Poland.

"We refuse to associate ourselves with the adoption of a document which we know perfectly well is being violated at the moment we are called upon to adopt it," he said, coming very close to the U.S. position that the situation in Poland has made it impossible to conduct "business as usual" at the Madrid conference.

Alarmed that prolonged East-West polemics and procedural wrangling could severely harm the so-called "Helsinki process," neutral European nations are expected to propose soon that the meeting be recessed. Max M. Kampelman, the U.S. ambassador to the conference, said he sensed "a growing movement in that direction in the hall" but stressed that the United States was not pressing for adjournment.

A number of senior Western diplomats have expressed surprise at the heavy-handed disruption of

Tuesday's meeting, which most regard as having been orchestrated by Leonid D. Ilyichev, the chief Soviet diplomat here. One immediate result has been to cast the Warsaw Pact in the role of the wreckers of the Madrid conference. Another result has been to bring NATO countries closer together, blurring differences between the United States and West Germany.

Clearly pleased at the results of Tuesday's session, Mr. Haig told a news conference Wednesday morning that the Polish delegation's recourse to "trumped-up parliamentary procedures" had displayed "a rather unfortunate misjudgment of neutral, non-aligned and Western attitudes." He praised Western unity on the Polish issue and insisted that the allies had "a very clear convergence of viewpoint in the Polish question and its impact on the conference here in Madrid."

In the last few weeks, West Germany's foreign minister, Hans-Dieter Genscher, had argued that the NATO allies should be prepared to stay in Madrid and keep negotiating and, above all, avoid getting blamed for the collapse of the conference. But the

Soviet response to the Western attacks on Poland appears to have ended any chances for serious negotiations.

At Wednesday's closed-door session, Mr. Kampelman blamed the Soviet Union for "the outlandish behavior" of the Polish chairman Tuesday. "It would appear," he asserted, "as if the Soviet Union is using to undermine the Helsinki Final Act both substantively and procedurally, both the letter and the spirit."

**Haig Sees Soviet Failure**

LISBON (AP) — Mr. Haig, arriving here for talks with Portuguese leaders, said Wednesday that Soviet efforts to stifle criticism of the Polish military crackdown would fail.

Mr. Haig had said at a Madrid news conference before flying to Lisbon that "never before has there been such unanimity of view achieved within the NATO alliance" as there has been over the Polish crisis. He said this unanimity has been realized "with respect to the true nature of events in Poland and, second, with respect to the culpability of the Soviet Union in these events."

## House Rejects Forcing Poles Into Default

By Dan Morgan and Margaret Hornblower

Washington Post Service

WASHINGTON — The House has defeated an attempt to override Reagan administration policy and push Poland into default on its loans before using government funds to pay off the bankers who lent the money.

The congressional test on the administration's handling of the Polish situation came Tuesday on a motion by Rep. Jerry Lewis, Republican of California, on a bill to increase by \$5 billion the pool of funds available to the Commodity Credit Corp. to run farm programs.

The U.S. banks would be paid out of CCC funds, and Rep. Lewis wanted to forbid such payment without a declaration of default. Critics say that the Polish government should be pushed to the wall as a penalty for its imposition of martial law.

**Rescheduling Expected**  
[Poland has to pay less than \$20 million to complete interest commitments on its 1981 debts to Western banks, and a rescheduling agreement is likely to be signed in the first half of next month, a West German banker said Wednesday, according to Reuters. Bankers in London and Frankfurt later said the interest remaining to be paid may be about \$100 million.]

"We are quite sure that interest due in 1981 will be paid at the latest by the end of February," Manfred Meier-Fresch, a managing director of Dresdner Bank, said. The bank hoped to arrange a formal signing in the first 14 days of next month of an agreement rescheduling Poland's \$7.4 billion of commercial debts that fell due for repayment last year, he said.

[Dresdner bank has been acting as agent for the other banks in negotiations with Warsaw on the 1981 debts. The agreement to defer

## 2 Parties Attack Reagan's Budget As Hearings by House Panel Start

From Agency Dispatches

WASHINGTON — President Reagan's proposed budget for fiscal 1983 was assailed by both Republicans and Democrats on the House Appropriations Committee as the administration's top economic officials began their formal presentation of the budget to Congress.

At the same time, Senate Republicans, stunned by the large deficits projected by the budget, indicated that they would rewrite

An analysis of the newly projected U.S. budget deficits shows that the administration may be overly optimistic in its estimates, Page 7.

it in Capitol Hill. As a measure of his concern, the Senate Republican leader expressed interest in a Democratic proposal to place a partial freeze on U.S. spending and tax cuts.

Administration officials found themselves whipsawed by Republicans and Democrats as they argued the case for the budget before the House Appropriations Committee on Tuesday.

"I can't agree on the priorities in this budget," Rep. Silvio O. Conte of Massachusetts, ranking Republican on the committee, told Treasury Secretary Donald T. Regan, the budget director, David A. Stockman, and Murray L. Weidenbaum, chairman of the President's Council of Economic Advisors, the first to appear in the committee's budget hearing.

**Spending Called Too High**  
Rep. Conte contended that military spending was too high and the domestic cuts too sweeping.

Responding to the continuing slump in the economy, the House in a separate action approved \$7.4 billion in emergency funds to help distressed farmers, allot jobless benefits and help to pay for fuel for low-income families. The measures drew strong support from Republicans, who are concerned that Mr. Reagan's economic pro-



President Reagan

gram will hurt them at the polls in November.

The hearing occurred as Senate Republicans, shocked by the projected \$91.5-billion deficit for the next fiscal year, groped for a strategy to lower the deficit and return toward a balanced budget.

Sen. Howard H. Baker Jr. of Tennessee, the Republican leader, termed "intriguing" a Democratic proposal, not yet fully defined, that called for a partial freeze on U.S. spending and pointed toward a \$40-billion deficit in fiscal 1983.

The plan, by Sen. Ernest F. Hollings, Democrat of South Carolina, called for freezing benefit programs and military spending at the current level and eliminating the 10-percent reduction in personal income taxes scheduled to take effect in July, 1983.

**'Conceptual Arrangement'**

An aide to the Republican leadership described the proposal as a "conceptual type arrangement" rather than a specific plan.

The Reagan budget would add up to about \$10 billion without the controversial cuts that he has proposed, many of which, congressional leaders said, will be difficult, if not impossible, to pass. By focusing on entitlement programs, military and the tax cut, the freeze would affect the fastest growing parts of the budget, the aide said.

The depth of the Republican concern over the projected deficit was suggested by Sen. Paul Laxalt of Nevada, the president's closest friend on Capitol Hill. "Those deficit figures are so numbing that you'll find a strong independent analysis here on the budget," he said.

He also said the deficit figures threatened to undermine the Republican unity that led to last year's budget victories. He suggested that the Republicans were unified so long as they thought they were voting for the goal of a balanced budget by fiscal 1984 but now might part company with the administration when faced with large deficits.

Mr. Weidenbaum acknowledged concern over the deficit. "Large deficits are not good but they are manageable," he said.

**Theme Repeated**

This was a theme repeated by Mr. Reagan in a written economic report the president is required to send to Congress each winter.

He admitted that deficits projected in the 1983 budget be sent to Congress this week are "undoubtedly high," but added they "will not jeopardize the economic recovery."

Mr. Reagan reaffirmed his de-

termination to drive high inflation out of the economy despite the pain that recession and high unemployment are inflicting.

"I am convinced that our policies, now that they are in place, are the appropriate response to our current difficulties," he said Wednesday in the statement accompanying the report prepared by his Council of Economic Advisors.

Mr. Reagan is counting on the Federal Reserve Board to wage the main fight against inflation by severely restricting the growth of the money supply and thus give the 3-year tax cuts he won from Congress in 1981 time to restore economic growth.

**Swing Through Midwest**

Mr. Reagan carried his defense of the high deficits projected in 1983 budget on his two-day campaign swing through the Midwest. He continued his harshly worded attacks on "knee-jerk" critics who offer no alternative to the administration's economic recovery program.

"The budget we've proposed is a line drawn in the dirt," the president told the Iowa Legislature Tuesday. "Those who are serious about reducing the deficit will cross it and work with us on our proposal or other alternatives. Those who are not serious in their concern about the deficit will stay on the other side and simply continue their theatrics."

Using some of the toughest political language of his presidency in criticizing the Democratic reaction to his abandonment of his promise to balance the budget, he said the Democrats should "put up or shut up."

He also has encountered the most vigorous protests of his presidency. In Iowa about 1,200 demonstrators assembled in subzero weather outside the legislature. They carried signs and shouted slogans complaining about unemployment, low farm prices and U.S. aid to El Salvador.

## Saudi Air Force: Fledgling and Full of Frills

### For Officers, a Life of Stereo, Saunas, Wedgwood and Waterford

By David Wood

Los Angeles Times Service

DHAHRAN, Saudi Arabia — Base housing for an average Saudi Arabian Air Force officer would make almost any American soldier's eyes blink in disbelief.

The officer — typically a Bedouin only a few years away from his desert upbringing — would only key to move into the neat, one-story stucco home. Everything he could want, inside, including stereo, carpets, Wedgwood china, Waterford crystal and 24-piece silver place settings.

That is only one example of the care lavished by the Saudi government on its fledgling air force, considered the leading and most advanced edge of its growing military power.

Yet many of those houses, which are sprouting up by the hundreds at Saudi Arabia's four major air bases, are empty. On Monday night at the gigantic new sports complex at Dhahran air force base, only a dozen officers were around to use the Olympic-size swimming pool, squash courts, bowling alleys, saunas and snack bars.

Saudi Arabia's military is, in large part, like a watch with a gold casing but no inner mechanism to make it run. Despite the lavish facilities, the nation lacks the pilots, mechanics, technicians, and administrators to make its military machine tick.

But Saudi Arabia, surrounded by real and imagined enemies and with its invaluable oil fields perched vulnerably on the edge of the Gulf, is determined to get the watch running.

U.S. Air Force officers, who are supervising that effort, sometimes throw up their hands at the magnitude of the job. But Secretary of Defense Caspar W. Weinberger, who held talks in Riyadh and toured Dhahran's facilities Monday before leaving Tuesday for Oman and later, Jordan, was assured the Saudis were making impressive strides.

The Royal Saudi Air Force is built around sophisticated American technology. To add to its current force of 114 F-5 fighters, the United States last year agreed to sell Saudi Arabia 60 F-15s, some of the most sophisticated aircraft in the world.

The Saudis also have purchased six AWACS (Airborne Warning and Control System) radar surveillance planes, which are difficult for even the U.S. Air Force to maintain, and a system of complex computer-driven communications and early warning radar equipment.

Teaching Saudis to use and maintain that equipment is a chore beyond imagination; even finding technically minded, motivated young Saudis, in a population of only about 10 million, is difficult enough.

The Saudis are almost self-sufficient in running their F-5 squadrons, having filled 85 percent of the jobs flying and maintaining the fighters, according to the American officials who run the training program.

The Saudis have done less well, according to U.S. officials, in training pilots and mechanics for their C-130 transport planes and helicopters. The officials estimate that the Saudi Air Force will not have reached self-

sufficiency in flying and caring for those aircraft until the end of the century. Saudis will be flying and maintaining their new F-15s by about the same time, but it is believed that Americans will be maintaining, if not flying, the AWACS well into the 21st century.

"The Saudis," said one American officer involved in the training program here, "know what the problems are and they are determined to solve them. What sets them apart from others is that they have got the 'want-to' to get there."

The Saudis attract men — not women, yet — into their air force through an offering of perquisites. Besides the excellent base facilities, for instance, each member of the armed forces receives a month's paid vacation, complete with a ticket to the Saudi city of his choice. The Saudi Air Force captain is paid \$60,000 a year, three times that of his American counterparts.

The Saudis stress, however, that the real attraction of military duty is not pay and privileges but religion. Servicemen are viewed as Islamic warriors serving Allah. Religious devotion is stressed, and each military compound is built around a mosque.

The Saudis will spend about \$27 billion on defense between 1981 and 1982, much of it on the lavish facilities deemed necessary in part to accommodate the force that they eventually hope to build, as a show of bravado against their enemies.

Whether they are building a combat-effective force or merely an expensive toy is, as one American officer put it, "simply unknown."

## INSIDE

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### The Apple's Core

A city unveils itself in its streets. The true flavor of Paris is its boulevards; of Hong Kong, its alleyways. In Manhattan, the true flavor of the city is its sidewalks. Page 5.

### A 'Mole' at GAO?

The U.S. General Accounting Office is the watchdog agency of Congress. But a Senate committee has turned the tables. GAO, it has launched an investigation into whether a Soviet "mole" has penetrated the agency. Page 3.



# Lee Tightens Political Control in Singapore

**SINGAPORE** — Prime Minister Lee Kuan Yew, upset by the recent election of a lone opposition member to Singapore's Parliament, is tightening the political reins in a state that is already one of the most closely controlled in Southeast Asia.

Apparently as part of the stricter new atmosphere, Mr. Lee is moving to place a career civil servant in charge of the main English-language newspaper, the privately owned *Straits Times*. Journalists at the paper have accepted the move as unavoidable, but negotiations reportedly have been going on to define the new official's title and powers.

The move follows the arrest last month of 10 Singapore Muslims accused of plotting to overthrow the government. Five were tried and sentenced two weeks ago to jail terms ranging from two to four years. The others were released and the government said they had "expressed repentance."

According to the new opposition member of Parliament, J.B. Jeyaratnam, leader of the Workers' Party, the government has been trying to discredit him by pointing out that five of those arrested were members of his party.

The government said the 10 Muslims, arrested Jan. 9 and 10,

## Move Follows Opposition Gain, Trial of Alleged Plotters

were members of a clandestine group, the Singapore People's Liberation Organization. The Home Affairs Ministry said the group intended to overthrow the government by force with foreign help and planned to "create communal unrest."

### Leader Arrested

The leader of the group, Zainul Abidin bin Mohammed Shah, 49, an Indian Moslem, was arrested with an associate while trying to distribute pamphlets at the National Stadium, where 24,000 people were celebrating the prophet Mohammed's birthday, the government said. Similar pamphlets were later found in the house of Mr. Zainul, a self-employed journalist and publisher.

The government charged that the pamphlets accused the government of oppressing Singapore's ethnic Malays and other Moslems.

Apparently most alarming to authorities was the conclusion in the pamphlet that "it is the duty of every Moslem to protect the morality of Islam by whatever means. True Islam does not fear death. Imbibe a political spirit among our people to crush the oppressive policies of the PAP fascists." The reference was to

Mr. Lee's ruling People's Action Party.

Although the government claimed the group planned terrorist violence, there have been no reports that it seized weapons or explosives. Rather, the details of the plot that emerged portrayed the group as almost fanatically incompetent.

In a statement, Mr. Zainul allegedly said he unsuccessfully sought financing from Libya and Vietnam. He said he visited the Vietnamese Embassy in Jakarta in December to request a base and broadcasting station in Vietnam but realized the answer was no when an embassy official handed him publications on Vietnamese trade and industry instead.

Obligated to rely on his group's own means, he asked the other members to contribute toward the cost of producing pamphlets but managed to raise only \$24 and had to pay the rest himself.

### Run for Parliament

According to the government, Mr. Zainul ran for Parliament unsuccessfully as a Workers' Party candidate in the 1972, 1976 and 1980 elections, which were swept by the PAP.

Mr. Jeyaratnam, the first opposition politician to sit in Par-

liament since 1968, conceded in an interview that Mr. Zainul had been "actively involved" in the Workers' Party. But he argued that the plot case was overblown in an effort to smear his party by implying it was full of extremists.

Mr. Jeyaratnam, 55, a London-educated lawyer, who says he is a Social Democrat, won an Oct. 31 by-election on a platform of greater social welfare and more sensitive government. Since then, he said, the government has tried to limit his effectiveness by "petty nagging things" such as denying him office space and cutting him out of community functions.

In addition, Mr. Lee has publicly expressed his distaste for opposition parties, calling them a source of instability and confusion. In a speech to his party in November, the prime minister, the only one the former British colony has ever had, exhorted members to meet the "dangers lurking ahead." Otherwise, he said, "modern Singapore may not survive its first generation founders."

Some Western diplomats attributed the warning to a desire to create an atmosphere of political crisis to shake up the

protégés whom Mr. Lee, 58, wants to inherit the government.

At the same time, one diplomat said, the capacity for troublemaking of even a small, disorganized group should not be overlooked. He cited Singapore's history of rioting and antagonism between the dominant ethnic Chinese, who comprise 76 percent of the population, and the Malays and Indians.

The same characteristic in Mr. Lee of never taking chances on holding power may also explain his move to install S.R. Nathan as executive chairman of the Straits Times, diplomats said.

Seen as a capable administrator who knows Mr. Lee's mind, Mr. Nathan ran the security intelligence department of the Defense Ministry before moving to the Foreign Ministry several years ago, diplomats said.

According to diplomats and journalists, Mr. Lee has never been entirely happy with the Straits Times, although it obediently toes the PAP line like Singapore's other news media.

The government became particularly incensed when the paper printed a story about an imminent steep increase in bus fares shortly before the by-elections. Mr. Lee has since ordered a share of the paper through one of the Monitor's owners, the Development Bank of Singapore, the sources said.



Lee Kuan Yew

The government strongly denied the story and the paper was obliged to print a retraction, saying it had been misinformed. But bus fares have been raised in the last two months.

Meanwhile, the government has already asserted control over a new English-language newspaper, the Singapore Monitor, scheduled to start publication in April. Mr. Lee's press secretary, James Fu, has been named to the Monitor's board and the government indirectly has a share of the paper through one of the Monitor's owners, the Development Bank of Singapore, the sources said.

## WORLD NEWS BRIEFS

### Pakistan Keeps Curbs on Politics

**ISLAMABAD** — The Pakistani Cabinet decided in a meeting Wednesday with President Mohammed Zia ul-Haq not to lift a 28-month-old ban on political activity.

The decision, announced at the end of a 10-hour meeting, ended recent speculation about a relaxation of curbs on political parties, banned since October, 1979. Plans for general elections were also canceled at that time.

Gen. Zia had said Sunday he and the Cabinet were "taking stock of the full situation with regard to starting political activity." And Raja Zafarul Haq, the information and broadcasting minister, said in an interview published Tuesday that elections might be held within months under an "Islamic democratic structure."

### Kissinger 'Stable' After Operation

**BOSTON** — Henry A. Kissinger, 58, underwent five hours of open heart surgery Wednesday to bypass clogged arteries and was reported in "satisfactory and stable condition," a spokesman for Massachusetts General Hospital said.

A coronary angiogram taken Monday showed a blockage in the circulation around his heart. His surgeon, Dr. W. Gerald Austen, said one artery was fully blocked and two others might be partially blocked. The physician had said the operation, probably would be a triple bypass and he predicted a full recovery. The former secretary of state, who had no previous heart problems, entered the hospital a week ago complaining of shoulder pains. He was released Friday and returned Sunday.

### Weinberger Vows Support to Oman

**MUSCAT, Oman** — Defense Secretary Caspar W. Weinberger said Wednesday that Oman and the United States will work together to defend the Gulf region.

"Oman is beset with threats and is prepared to work with the United States to face these threats," Mr. Weinberger said before leaving for Jordan after his two days of talks here. The United States has a marine force of four frigates and one command ship in the Indian Ocean waters, in addition to ships in the Indian Ocean.

Oman adjoins the Strait of Hormuz, through which two-thirds of the world's oil is shipped. The nation has had border trouble and skirmishes with neighboring Southern Yemen, which Information Minister Abdul-Aziz al-Rawas said has become "a Soviet colony complete with military bases and airfields ... constituting a threat to the entire Gulf region."

### N. Korea Urges North-South Talks

**TOKYO** — North Korea called Wednesday for a conference of Korean politicians — 50 representing the North and 50 the South — to discuss reunification, the North Korean news agency said.

The agency, monitored in Tokyo, said the call came from a committee headed by Vice President Kim Il, who late last month rejected a proposal by President Chun Doo Hwan of South Korea that the two countries adopt a common constitution and hold a conference on reunification. The committee was quoted as saying there was no place in the talks for South Korean rulers, but that "they should not prevent politicians from attending." It suggested participants might include Kim Dae Jung, a South Korean opposition politician serving a life sentence on sedition charges.

## Joint Chiefs Say Russia May Take More Risks

By Michael Getler

Washington Post Service

**WASHINGTON** — The Joint Chiefs of Staff, in a report to Congress containing a gloomy assessment of the balance of military power with the Soviet Union, has said that "a central question for the 1980s is whether Moscow will be more inclined to confront the United States in a developing crisis."

In trying to answer that question, the nation's highest-ranking military officers said that "while the Soviets must still view a U.S.-Soviet conflict as extremely hazardous," Moscow now "may be more willing to accept the risks of confrontation, particularly where they have significant military and geographic advantages."

In praise of President Reagan, who has just sent Congress a record \$258-billion Pentagon budget authorization request, the chiefs said "the United States has begun to reassert the leadership necessary to restore confidence and consensus among its allies" after a period from 1971 to 1981 during which the Russians spent 40 percent more on defense than the West did.

Even if support for increased military spending continues, the chiefs said, it will take four to five years just to "alleviate existing deficiencies." But the Soviet military advantage, the report said, "cannot be offset in a year or even a decade."

The chiefs said that, despite Mr. Reagan's new \$16-billion, five-year military spending plan, "truly effective" deterrence and defense require sizable commitments from allies in Western Europe, Japan and elsewhere to strengthen their forces.

The chiefs, venturing into foreign policy areas they usually avoid publicly, called attention to current strains in NATO and said that "despite the economic power of the European nations, some are failing to provide adequately for defense."

In commenting on trouble spots and regional balances of power, the chiefs said that NATO's position in Western Europe is improving in the crucial central front facing the bulk of Soviet power but that the alliance's flanks in the north and south are in worse shape.

And on the situation in the Caribbean, the report said that 60 to 70 percent of U.S. oil shipping moves through the Gulf of Mexico and the Caribbean and that Cuban or Soviet forces in the region pose a potential threat to allied reinforcement of Europe in a crisis.

Despite recent improvements in the situation, the report said that 60 to 70 percent of U.S. oil shipping moves through the Gulf of Mexico and the Caribbean and that Cuban or Soviet forces in the region pose a potential threat to allied reinforcement of Europe in a crisis.

There have been clear indications all across the country of a government effort under the leadership of Col. Assad to purge the armed forces and the country of the last of the suspected opponents of the government.

Reports in Amman said there had been considerable tension between Col. Assad and the president over the purge within the army and at one point the two men were hardly speaking to each other. But it appears Col. Assad got his way both in purging the army and launching a major military operation in Hama.

**BA Cancels 42 Flights Due to Wildcat Strike**  
**LONDON** — British Airways canceled 42 European and domestic flights Wednesday because of a wildcat strike by 2,000 ground employees.

A spokesman said about two-thirds of the airline's European flights were still functioning and that pilots and senior management had been helping to load luggage. The indefinite strike was touched off Tuesday by new work schedules designed to cut costs. The airline lost \$140 million (about \$260 million) last year.

**Correction**  
An item in the People column in the Feb. 9 edition of the International Herald Tribune on the jazzman Eddie Blake incorrectly called Louis Armstrong's widow Lil Armstrong. The jazz trumpeter's widow is Lucille Armstrong. Lil Armstrong was one of his three previous wives.

## Hanoi Backer Wins Election in Cambodia

The Associated Press

**BANGKOK** — A Cambodian military man believed to have spent more than 15 years in Vietnam has been elected chairman of the Phnom Penh government's Council of Ministers.

The Cambodian news agency SPK said Chan Sy was elected to the post — equivalent to premier — on Tuesday by the National Assembly. The post had been vacant since the previous chairman, Pen Sovann, resigned in December, citing his health. Mr. Chan Sy then became interim council chairman.

The election appeared to reinforce the continuing loyalty to Vietnam of the Phnom-Penh government, installed by the Vietnamese after an invasion in January, 1979.

### Second Rank

Under the Cambodian constitution, the Council of Ministers ranks second after the Council of State, which has day-to-day, decision-making powers.

Heng Samrin, president of the Council of State, replaced Mr. Pen Sovann as Communist Party chairman in December, giving Mr. Heng Samrin the two most important posts in Cambodia.

The assembly also elected Bou Thong as vice chairman of the Council of Ministers and chairman of defense. Like Mr. Chan Sy, Mr. Bou Thong is regarded as pro-Vietnamese. He is not an ethnic Khmer but belongs to the minority Tampuan group in northeastern Cambodia, according to a Western diplomat who monitors Cambodian affairs.

Mr. Chan Sy, 50, had been deputy defense minister since last June, the diplomat said.

Mr. Bou Thong, 44, is believed to be chairman of the propaganda and information committee, which reports directly to Phnom Penh's Communist Party Central Committee.

Mr. Bou Thong was ranked third in the seven-man party secretariat in a list published last May, and Mr. Chan Sy sixth.

Mr. Chan Sy is believed to have joined the Vietnamese Communist Party in 1950 and chosen to go to Hanoi in 1955, the diplomat said.

The Cambodian leader is believed to have returned home in 1970 but returned to Hanoi two years later.

Mr. Bou Thong also is thought to have spent years in Vietnam and, after a period at home, to have returned to Vietnam in 1972, when the Khmer Rouge began a purge of pro-Hanoi officials, the diplomat said. Vietnamese forces in Cambodia currently are fighting guerrillas loyal to the Khmer Rouge regime deposed early in 1979.

## Sinn Fein Barred From Irish Media

United Press International

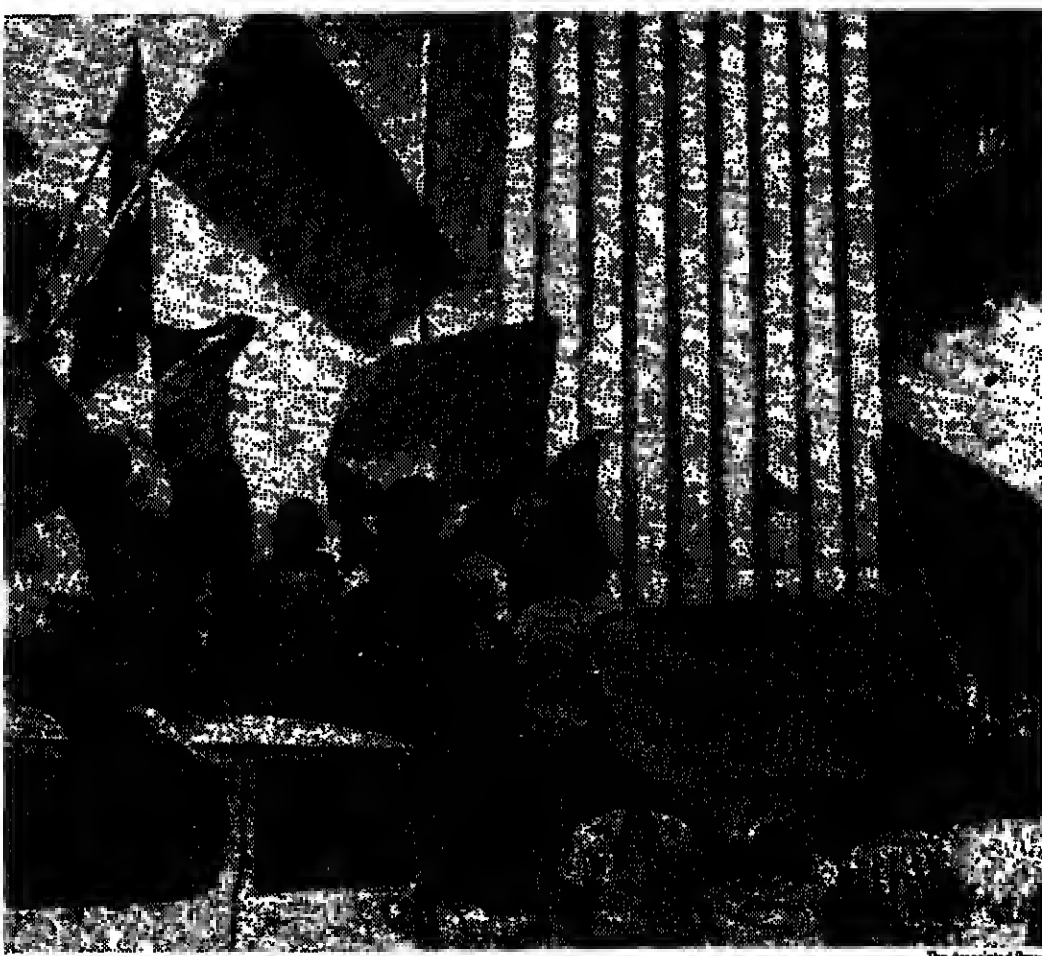
**DUBLIN** — Premier Garret FitzGerald has banned the political wing of the Provisional wing of the IRA from using the national radio or television to promote its seven candidates running for parliament in the elections next Thursday.

Mr. FitzGerald said Tuesday that the ban, permitted under a section of the Broadcasting Act dealing with subversives, was "logical" after a Sinn Fein spokesman said the organization would "approach the ballot box with voting papers in one hand and an Armalite rifle in the other." Its entry in the elections is its first in 20 years. Sinn Fein said none of its candidates would claim their seats if elected.

It fielded seven candidates because that is the number required to earn two minutes each of radio and television time.

### WHO'S WHO IN POLAND

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Indonesian youths protesting alleged espionage activities at Jakarta's Soviet Embassy.

## Indonesia Said to Expel 2d Soviet Envoy

Reuters

**JAKARTA** — Indonesia has ordered a second Soviet diplomat to leave the country, following the expulsion of a military attaché and the arrest for espionage of the local chief of the Soviet airline, Aeroflot, official sources said Wednesday.

The sources said that Grigory Odaryuk, the diplomat expelled

Wednesday, was involved in a fist-fight at Jakarta airport Saturday, when Soviet diplomats tried to prevent Indonesian security men from arresting Alexander Finkenko, the Aeroflot station chief.

Jakarta's military commander said that Mr. Finkenko was trying to board a plane with military attaché Sergei Egorov, who had been given 48 hours to leave the country.

Several security men were injured in Saturday's brawl. "One needed stitches in his hand where Mr. Egorov's wife had bitten him," the sources said.

Earlier Wednesday, demonstrators besieged the Soviet Embassy. About 50 members of a youth group affiliated to the ruling Golkar Party strung anti-Soviet banners across the locked gates of the 13-story building.

## Polisario Rejects OAU Proposals For Western Saharan Truce, Vote

From Agency Dispatches

**NAIROBI** — The Polisario guerrilla front on Wednesday rejected an African proposal for a cease-fire and an independence referendum in the Western Sahara and called for direct negotiations with Morocco to end their six-year war.

The Polisario statement came in response to a peace plan unanimously approved Tuesday by the Organization of African Unity's committee on the Western Sahara. The plan was unveiled Wednesday.

A statement released on behalf of the Polisario chairman, Mohammed Abdelaziz, said it was regrettable that the committee's work "had not led to a peace agreement between the two warring parties, Morocco and the Polisario Front."

The statement said there could be no cease-fire without "direct negotiations between the two parties in conflict."

Morocco has refused any contact with the guerrillas, recognized by 26 of the OAU's 50 member-states, and has threatened to pull out of the organization if it formally recognizes the Polisario.

### Groundwork for Referendum

Under the organization's plan, a joint UN-OAU team would be sent to the Western Sahara to make administrative and logistic arrangements for a referendum to determine whether the inhabitants of the territory want independence or integration with Morocco.

But without progress toward a cease-fire, the proposals for a referendum are academic, delegates said.

To end the deadlock between the Polisario and Morocco, which annexed the former Spanish colony after Spain withdrew in 1976, the committee appointed President Daniel Arap Moi of Kenya, the current OAU chairman, to embark upon what an OAU source called "subtle diplomacy at the highest level."

The peace proposals also call for the appointment of a commission-

er to head an interim administration "at least one month before the cease-fire takes effect," the only reference to timing in the latest plan. The commission would be responsible for drawing up a list of those entitled to vote in the referendum. The list would be based on a 1974 census by Spanish officials.

The Polisario has demanded a new census, saying the Spanish list seriously underestimates the real population.

Morocco has said it will only discuss a cease-fire with Algeria, the guerrillas' main backer, and Mauritania, which ruled part of the territory until 1979, when it pulled out.

### New Census Requested

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But Algeria has refused to be

brought into the negotiations and Mauritania has taken a neutral stance.

Mr. Moi meanwhile told delegates that the OAU peacekeeping force in Chad was "an extremely costly exercise," and he said he had sent appeals to member-states of the OAU and to other friendly countries for help.

France and the United States have contributed an estimated \$12 million each to the force.

The force was sent to Chad last year to replace Libyan troops called in by President Goukouni Oueddei to support government troops in a civil war against former Defense Minister Hissene Habré.

An OAU report estimated it would cost \$162.9 million to maintain the force, thought to number about 3,000, for a year.

## A 'Quiet' Gdansk Fails to Hide Discontent

(Continued from Page 1)

all around, he seems taken aback. "What do you think of the state of war?" is the first question. He pauses. "Well," he says, "it's a little difficult to say."

Scrawled in chalk on a metal gate nearby is "The winter is yours, but the spring will be ours" — a slogan of insurrection that is heard in Warsaw as well.

At a press conference, the director, Antoni Szelewski, answers questions cautiously. No, he says, there have been no management changes — except for two directors. From the entire work force of some 8,000 employees, only three persons have been interned. No, there has been no ideological "screening" of the workers, although, yes, it is true that they had to submit their passes to the authorities and receive a new "S" stamp on them.

The reporters demand to see the local Solidarity leader, Jozef Kosk. "We don't know if he's on this shift right now," they are told. The press conference ends.

At the Lenin Shipyard, workers are also nervous about talking with cameramen and official guides hovering nearby. "This isn't really the time and place," says one.

But taken off to the side, they report various developments: The previous shipyard director, Klemens Gniech, who had expressed support for Solidarity, had been dismissed. Many workers were fired for their political leanings. The work force has been "vetted" to get rid of the political suspect.

At a hurried press conference, the new director, Stanislaw Zarek, insists that "no one has been dismissed." But he also said that the work force, usually numbering 14,900, had shrunk to 14,300. He said: "I lived through December, 1970, (when there were riots) and then several hundred employees resigned and returned to their farms. Now there is also a group who no longer want to participate. There's a great many people who

want to return to their villages and towns."

Mr. Zarek denies reports that the work force had been "ideologically vetted." Every year people had to renew their shipyard passes and get them restamped, that was all, he says.

At still another press conference, with the regional authorities in Gdansk, officials of the prosecutor's office gave a rundown on persons detained Dec. 13 — 235 of them — and arrested on Jan. 30 — a total of 205. He said the case of Miroslaw Krupinski, a deputy of Solidarity leader Lech Walesa who headed a strike committee in the shipyard Dec. 14, had been referred to the military prosecutor.

### Canadian Explosion Kills 5

The Associated Press

**POINT TUPPER, Nova Scotia** — An explosion in the steam plant of a wood pulp mill killed five workers and injured at least nine others, mill officials reported.



## Reagan Aide Opposes UN Covenant on Social And Economic Rights

By Barbara Crosser

WASHINGTON — The Reagan administration's highest-ranking human rights official has said that he opposes U.S. ratification of a United Nations covenant setting international standards on economic and social rights.

Elliott Abrams, assistant secretary of state for human rights and humanitarian affairs, answering questions Tuesday at a State Department briefing on the administration's new review of human rights situation in countries around the world, said the UN covenant, one of three signed by the Carter administration and awaiting a ratification decision by the Senate, set unrealistic goals for poor countries.

In his discussion on the Country Reports of Human Rights Practices for 1981, on Reagan administration policies and on his own views on human rights, Mr. Abrams said the findings of his office were taken into account in the presidential decision last month that El Salvador had made sufficient progress in reducing political violence and improving rights to warrant continued U.S. aid.

Under current U.S. foreign-aid laws, the president must make reports on whether El Salvador and Chile have made progress on human rights. Mr. Abrams denied that the new report had been tailored to meet the certification requirements.

He also rejected suggestions that the considerable length of reports on El Salvador and Chile in the 1981 rights document, issued last Sunday, reflected anything more than the complexity of the situations in those countries and the interest in the United States in those nations.

The administration has not yet taken a formal position on the 1966 International Covenant on Economic, Social and Cultural Rights, which tries to establish universal rights to such things as secondary education, gainful employment, healthy working conditions and recognized holidays and vacation time.

Administration officials have, however, said publicly in international forums that its view of human rights did not include economic considerations, a view enunciated in the introduction to the report.

"The idea of economic and social rights is easily abused by repressive governments," the report said. On Tuesday Mr. Abrams added that because the UN covenant's economic aspirations were achievable only in the long run by "dozens and dozens" of governments, many nations might be tempted to put off the granting of basic individual liberties at the same time.

"That is not the way we view, for example, freedom of religion, or the right to be free of torture," Mr. Abrams said, "that is, as something that should come along the road to development some decade."

### Inequities Indicated

The administration did include sections on economic and social conditions in the 1981 reports on 158 countries and those economic analyses did reflect inequities.

In the case of Israel, for example, while the administration found that there had been no change in the human rights situation over the year and that Israel remained a democracy in the face of crises and war, it did find problems with the progress of Arabs in Israeli society.

The report said that although Arabs had equal rights under the law "discrimination reportedly occurs in such areas as employment and appointment to government positions."

The report was more critical of conditions in the West Bank where, Mr. Abrams said, "full democratic protections available in Israel are not available."

A congressional official who has been following the progress of the UN covenants said Tuesday that Mr. Abrams' comments probably doom the economic and social rights document. The other two covenants cover genocide and civil and political rights.



Cardinal John P. Cody

## Archbishop In U.S. Probe Plans to Quit

United Press International

CHICAGO — Cardinal John P. Cody, the Roman Catholic archbishop of Chicago, who is under U.S. investigation to determine if he diverted more than \$1 million in church funds to a woman friend, will resign as head of the 2.5-million-member archdiocese Dec. 24, his office announced.

Monsignor Francis A. Bracken, vicar-general of the archdiocese, Tuesday told 80 diocesan senators of Cardinal Cody's plan to retire on his 75th birthday, according to a press release.

Cardinal Cody, who has a history of diabetes and heart trouble and recently was released from a hospital, will submit his resignation to Pope John Paul II, who must accept it. Canon law urges prelates to resign by the time they reach 75.

Cardinal Cody was named archbishop of Chicago June 16, 1965, by Pope Paul VI.

The U.S. Attorney's Office has been investigating the cardinal's financial dealings to determine if he diverted more than \$1 million in tax-exempt church funds to Helen Dolan Wilson, a long-time friend.

In a copyrighted series of articles last year, the Chicago Sun-Times reported that U.S. investigators were studying Cardinal Cody's finances. Mrs. Wilson, 74, is related to Cardinal Cody by marriage only. There is no blood relationship between the cardinal and the woman he has described as his sister, his cousin and his niece.

## 2 Jailed in Zurich As Spies for KGB

The Associated Press

ZURICH — An accused Soviet KGB agent was sentenced Wednesday to three years in prison on charges that he used Switzerland as a logistics base for intelligence-gathering about Iran.

A three-judge panel accepted the prosecution's recommendation in fixing the sentence against Karl Krummrich, 41. His wife, Katarina Krummrich, 47, who was charged as an accomplice, was sentenced to 2½ years in prison.

The two were arrested at the airport here in July as they were about to leave for Vienna. The prosecution said that Mr. Krummrich and his wife had used Zurich as a base since at least 1978, and had received coded instructions from Moscow at least six times.

There are sharp differences about this in Jerusalem, with some appreciating the need, from a public relations standpoint, for any Palestinian to be taken back to be severe enough to justify the kind of massive retaliation being considered.

Since the cease-fire across the Lebanese-Israeli border, now in its seventh month, the PLO has stepped up efforts to infiltrate guerrillas from Lebanon through Syria and into Jordan, where they have tried to cross into Israel. There have been 14 such infiltration attempts from Jordan since the cease-fire, the Defense Ministry reports.

The ambassador, Yehuda Blum, stopped short of endorsing a suggestion made in Israel's parliament that further UN condemnatory action against Israel should be considered grounds for Israel's expulsion of the UN peacekeeping forces' headquarters here.

But he noted pointedly that the Middle East peacekeeping responsibility has been a source of pride to the United Nations, and that if Israel lost its credentials, "obviously there is much at stake for the United Nations institutionally."

Mr. Blum's oblique warning came as the parliament voted 61 to 3, with 42 abstentions, to reject the General Assembly resolution Friday calling for sanctions against Israel because of its annexation of the Golan Heights.

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## Senate Panel Suspects 'Mole' in GAO Passed Data to Soviet Attaché

By Robert L. Jackson

WASHINGTON — The Senate Intelligence Committee has turned the tables on the watchdog agency of Congress. It has launched an investigation into whether a Soviet "mole" has penetrated the agency and helped to pass on military secrets to a Soviet naval attaché.

In a letter to Charles A. Bowsher, the GAO's chief, Sen. William V. Roth Jr., Republican of Delaware, asked about reports that Vladimir Kvasov, a Soviet attaché, had made repeated trips to GAO's downtown headquarters as far back as January 19, 1979, to request classified military reports by their GAO code number.

Sen. Roth, a member of the intelligence committee, said some documents requested by the Russian — reports dealing with weapons systems and the readiness of U.S. forces — had not even been printed at the time.

Security Procedures The senator wanted to know what the GAO had done to improve its security procedures.

"We called in the FBI some time ago and they say they haven't found any evidence of a Soviet mole," Mr. Bowsher said Tuesday.

Mr. Bowsher said that "to the best of our knowledge" Mr. Kvasov was not given any documents. Although the Russian went to the GAO's public document counter and asked for reports by identification number, "our classified studies are not even down there," Mr. Bowsher said.

But Ralph C. Sharer Jr., a former GAO auditor who worked with the FBI on the case, has said there was a high probability that secret data was leaked to the Soviet Union.

Among the reports requested by Mr. Kvasov, who has since returned to the Soviet Union, was one on the electronic jamming system of the EF-111 fighter-bomber, which is capable of reaching the Soviet Union with nuclear bombs from bases in England and West Germany.

Presumably, by asking for a document by its number, Mr. Kvasov hoped that a GAO clerk would not realize it was classified.

Reports Made Public The GAO, which employs about 5,000 auditors and investigators, compiles thousands of reports each year on shortcomings in government programs, usually at the request of members of Congress. These reports are generally available to the public.

Mr. Bowsher was asked how Mr. Kvasov would have known the numbers of certain GAO reports, unless he had obtained them from a source at GAO. "We don't know for sure, but it could have been from outside our building," Mr. Bowsher said.

Another official noted that before issuing a report, the GAO sends a rough draft to the agency involved to receive its comments. The draft usually bears an identification number, the official said.

He said the affair has already caused the GAO to tighten its security. By March, access to GAO headquarters will be by magnetic identification card only. Visitors seeking reports will be escorted to a separate public distribution center.

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Empty boxes of Camembert were strewn on packing room floor during a commando raid at a cheese plant in Isigny.

## France to Investigate Raid On Occupied Cheese Plant

The Associated Press

ISIGNY, France — An investigation has been ordered concerning a commando raid late Sunday night against a Camembert cheese processing plant in which 750,000 boxes of ripening cheese were taken from the plant occupied by striking workers.

The incident was the latest labor dispute arising from the French government's decision to reduce the legal workweek from 40 to 39 hours.

The investigation was ordered Tuesday into the legality of the attack and into strikers' complaints that they were assaulted. The trouble at the cheese plant here began shortly after the reduced workweek went into effect Feb. 1. The following day, the management at the Besnier-Claudel processing plant announced that it did not intend to reduce the workweek because workers were putting in only a 38-hour, 20-minute week when their rest breaks were taken into consideration.

The plant workers called a strike. On Feb. 3, a group of about 25 strikers occupied the plant and began negotiations with the plant's management. Although no progress was being made in the talks, they were never broken off and there were no reports of violence until Sunday night.

Workers and management have given differing versions of the six-hour ordeal that followed. Leo Lepoux, a spokesman for the Confédération Générale du Travail labor union that represents the plant employees, said that the commandos roughed up some of the workers.

Fernand Loustau, head of the commando operation who runs a security guard firm in the area, said he provided his services free of charge because the owner of the plant is a friend. He said the attacking group was made up of 200 men, including 37 former paratroopers.

"Upon our arrival, I immediately showed my identity card to a gendarme at the scene," Mr. Loustau said. "Then, we surrounded the plant to prevent the strikers from fleeing. The mayor of the town was present as well as the gendarme." He continued, "There were a few scuffles with the strikers when we arrived. We neutralized them with tear gas, the only weapons we had with us, and we confined them to an area in the plant."

While the workers were interned, the commandos removed 750,000 boxes of Camembert. "I was only taking what was mine," plant owner Bernard Aubert said. "There was nothing illegal about it."

## U.S., Objecting to Film on Chile, Denies Role in American's Death

New York Times Service

WASHINGTON — In an unusual move, the State Department has taken issue with a movie, "Costa-Gavras' 'Missing,' based on the story of a young American killed during a 1973 coup in Chile. The department said Tuesday that it objected to the film's suggestion that the United States had some responsibility for the death, or at least covered up events surrounding it. The film is scheduled to open Friday, but crowds have been flocking to private viewings.

The film suggests that U.S. diplomats in Chile did nothing to locate Charles Horman, a free-lance writer, or help his family search for him. It also implies that the United States conspired in his death because he knew of alleged U.S. involvement in the overthrow of the leftist Salvador Allende government and that the United States had a large role in the coup.

The department said Tuesday that it "undertook intensive and comprehensive efforts" to find Mr. Horman and investigate his death. Eight years of investigation, neither the investigation nor provided evidence for charges made against U.S. officials by the Horman family, the department said.

In 1977, the Horman's sued Secretary of State Henry A. Kissinger and other State Department officials. The film says the case was thrown out. The State Department said the case was withdrawn voluntarily by the plaintiffs last March.

The statement did not deal with the allegations of U.S. complicity in the overthrow of Allende. Congressional investigations indicated that the United States had been involved in Chilean politics, particularly in trying to prevent the election of Allende, but found no U.S. involvement in Mr. Horman's death or the coup.

Mr. Costa-Gavras, a Greek director based in Paris, said recently that the film was not a documentary. "Don't ask a film director to be a political technician," he said. "Either you give two points of view or you say: 'Here is what I think. I draw my own conclusion.'"

## Israel Said to Weigh Major Attack On PLO Bases in South Lebanon

The following material was subject to Israeli military censorship.

By David K. Shipler

JERUSALEM — Israel has reportedly been considering plans for a large-scale invasion of southern Lebanon to "erase" the Palestinian military reinforcements that have been brought into the region since the cease-fire last July, and it has told the United States that an attack will be launched if there is further terrorism by the Palestine Liberation Organization.

Troops and weaponry of the Israeli Army are said to be deployed in the north to execute such an operation, if necessary, foreign diplomats report.

According to both Israelis and foreigners familiar with the high-level deliberations, no final decision has been made to go ahead with an invasion. A proposal to do so last week by Defense Minister Ariel Sharon after a five-man terrorist squad crossed into Israel from Jordan, was rejected by Prime Minister Menachem Begin because of the unfavorable repercussions it would have on relations with Washington, officials say.

Most of the Cabinet is also said to be opposed to an attack at this time, and recent heavy rains have made the terrain unsuitable for heavy armor.

Israel contends that the PLO has been making use of the respite from the repeated small-scale commando raids and air strikes that Israel used to conduct to move significant quantities of long-range and highly accurate artillery pieces to within striking distance of Israeli northern settlements and to strengthen fortifications.

More worrisome to Jerusalem in the longer term is the prospect of an increasing Syrian bold on Lebanese politics. Any Israeli military

action, officials explain, would be designed to weaken Syria's influence by decimating the PLO's infrastructure in the south, thus denying the Syrians political control over that region's population. No serious military action against Syrian forces is foreseen.

Mr. Sharon's plan would be directed against the PLO in an effort to deal a decisive blow to its military deployment in southern Lebanon. There would be no intention of occupying Lebanese territory.

In an effort to convey Israel's sharp concern about the situation in Lebanon to the Reagan administration, the Israeli head of military intelligence, Maj. Gen. Yehoshua Saguy, flew to Washington last week to meet with Secretary of State Alexander M. Haig Jr. and other officials.

Final Warning Delivered He delivered what was described as a final warning that Israel would tolerate no more violations of the cease-fire by the Palestinians. American officials were reportedly adamant that Israel refrain from any military operation, a plea repeated Monday to Mr. Begin by the U.S. ambassador, Samuel W. Lewis.

Mr. Begin, Mr. Sharon and other Israeli officials have said repeatedly that Israel would not be the first to attack, and would only counterattack in response to a provocation. The question in assessing Israeli intentions is what constitutes

Protest by Spanish Guards MADRID — More than 350 prison guards have locked themselves in jails throughout Spain to protest work conditions, a prison spokesman said Wednesday. The protest of prisoners is scheduled to meet representatives of the prison guards, who demand more pay and improved fringe benefits.

## House Subcommittee Says Watt in Contempt

From Agency Dispatches

WASHINGTON — A House subcommittee has voted to cite Interior Secretary James G. Watt for contempt, after its chairman, Democrat John D. Dingell of Michigan, accused him of "stonewalling" and obstructing congressional efforts to obtain Interior Department documents.

The contempt citation, adopted Tuesday by a vote of 11-6, concerned seven documents that Mr. Watt refused to turn over to the House Energy and Commerce oversight and investigations subcommittee, which has been investigating the way Canadian energy policy affects U.S. investors.

If the resolution is approved by the full committee and then by the House, Mr. Watt could be subject to prosecution in a federal court. Mr. Watt said he expected Congress to vote out a contempt citation but he said he had been assured by Justice Department attorneys handling the case that the administration was on firm ground in refusing to turn over the documents.

Mr. Watt said that if necessary he would go to jail to keep from turning over the documents.

Test of Executive Privilege Mr. Watt has cited executive privilege in withholding the documents. This principle is used by presidents to keep sensitive materials from being turned over to Congress.

He said he was a pawn in the current controversy because it was Mr. Reagan's decision to assert executive privilege. He indicated that the administration wanted to make his test case of "when executive privilege can be cited in keeping documents from Congress."

Mr. Watt told Rep. Dingell in a letter Tuesday that the papers being withheld were highly sensitive foreign policy matters.

In the past two months, Mr. Watt has told two House Democratic subcommittee chairmen that their subcommittee can no longer meet informally with Interior Department staff members before committee hearings.

"What seems to be emerging is a pattern of obstructionism by [the Interior Department] to legitimate requests for information," Rep. Dingell said Tuesday.

Congress could seek a citation for either criminal or civil contempt. In the unlikely event that the House approved a criminal citation, it would be forwarded to a U.S. attorney for prosecution as a misdemeanor punishable by a fine of up to \$1,000 and a year in jail.

Mr. Watt ruled last week that Canadians investing their money in the United States should not be penalized because of Canadian policies concerning U.S. investments in Canada — the conflict that the House subcommittee had been investigating since last August.

## Ben Nicholson, 87, British Artist Noted for Abstract Works, Is Dead

New York Times Service

LONDON — Ben Nicholson, 87, the abstract painter, died Saturday.

Mr. Nicholson, whose death was not announced until Tuesday, died at his home in London's fashionable Hampstead district, three weeks after arranging a major exhibition of his recent works. It is scheduled to open here next month.

Represented in permanent collections around the world, Mr. Nicholson began as a painter of realistic still lifes and landscapes. He gradually developed an abstract, geometric style, strongly influenced by cubism and the Dutch De Stijl group. Among his finest works were his white reliefs of the 1930s, in which geometric shapes were set out from or sunk into canvas wood paneling.

Although his father, William Nicholson, and his uncle, James Pryde, were painters and poster-makers of note, recognition came slowly to Ben Nicholson. It was not until he was well into his 50s that his talent was publicly acknowledged by a series of international awards and shows.

A Term at State Born in the outskirts of London in 1894, Mr. Nicholson had little formal artistic training apart from one term at the Slade School of Fine Art in London in 1911. It was there that, in a naturalistic manner, he began portraying jugs, cups, bottles and mugs, the frequent subjects of subsequent abstract work.

It was only 10 years later, after traveling through Europe and then spending eight months in Pasadena, Calif., that he first saw a cubist painting by Picasso. He recalled later that "none of the actual

events in one's life have been more real than that, and it still remains a standard by which I judge any reality in my own work."

In 1922 in London, Mr. Nicholson had his first one-man show. But it was not until the 193



## Approaches to Central America and the Caribbean In El Salvador, 'Substantial Control' and U.S.-Supplied Helicopters

### On Reagan and Rights

There was a time at the onset of the administration when it appeared that it was going to be very hard to mention human rights and Ronald Reagan in the same breath. The Soviets and their clients were going to be hit with a propaganda club for their every violation, while countries friendly to the American way would be allowed to get away with murder, torture and the rest of it. Such, at any rate, was the caricature that flourished in the early months. It was unfair, but the administration did its part to strengthen it by mechanically embracing an otherwise useful theory distinguishing authoritarianism from totalitarianism and seeming to say to the former that for anti-Communists anything goes.

A year later, the Reagan administration has made some progress in working its way back into more respectable human rights company. It has not abandoned — nor should it — its belief in the special menace of Communist totalitarian systems. They are not only capable of extreme repression, but they are very difficult to change. You have only to look at the latest congressionally mandated State Department report on the international human rights scene, however, to see that the administration is getting the range on friendly authoritarian regimes, too.

This year's report, the first issued entirely on Ronald Reagan's time, is as far, frank and factual as Jimmy Carter's. For instance, the section on Pakistan, a security favorite of this administration, includes material as damning as that recently released by Amnesty International. The new report makes clear that terrorists as well as governments are violators, and it exposes some common alibis for trampling on people's political and personal rights. The double standard of which skeptics had warned is not in evidence.

But the skeptics say this is only the half of it: Ronald Reagan can afford to be evenhanded in these once-a-year reports of the bureaucracy because, at the policy level, where it counts, he will overlook violations by friendly states. There is reason to be wary here, too, to watch what really happens. Of the various techniques Jimmy Carter used in his policy, the more up-front, hit-em-over-the-head methods sometimes seemed to produce more resentment and backlash than actual progress in rights. The Reagan administration favors the quieter ways of "traditional diplomacy." Its toughest case, El Salvador, the last administration couldn't crack, either.

THE WASHINGTON POST.

### Helping the Glut to Last

Item: Unable to sell enough oil to finance the war with Iraq, Iran hopes to double exports by reducing its price by \$1 a barrel.

Item: Britain's decision to slash prices by \$2 a barrel makes its oil 5 percent cheaper than comparable grades of OPEC crude.

Item: To stabilize falling oil prices, Saudi Arabia, the world's largest exporter, is pondering sharp cuts in production.

The signs are everywhere. At current prices, the world's production capacity exceeds the demand for oil. Better still, there is some reason to expect that the oil glut can continue for years. The projected growth in production is greater than the projected growth in consumption. But that would not be the first time the oil experts were proved wrong — disastrously wrong. The best way to assure that the glut lasts is to pretend it isn't there.

It is easy to see why many energy analysts have colored their spectacles rose. The doubling of oil prices since the Iranian revolution has caused a drastic decline in consumption. Of the major exporters, only Saudi Arabia can afford to respond by significantly reducing production. And if Iraq and Iran return to market at prewar production levels, even Saudi Arabia's power to control the market could be lost. But read the fine print beneath those cheery forecasts and see how quickly things could change. Some portion of the decline in consumption — how much is not clear — is due to recession in the major industrial nations. When they recover, the margin of comfort will certainly narrow.

Moreover, the importers still depend mightily on oil from the Gulf. If the Gulf were closed by war or embargo, the lights

would dim from Key West to Tokyo. The prudent course, then, is to keep planning for a future of scarce oil.

The Reagan administration is filling the U.S. strategic petroleum reserve at an accelerated pace. It has turned a blind eye, however, to other badly needed measures.

Emergency planning: In case of emergency, President Reagan wants free markets, not bureaucrats, to do the rationing. Congress disagrees. So without a better plan, it would most probably force the White House into measures that again invite the mess of gas lines, as in 1979. The best insurance against such a debacle would be a stiff gasoline tax now, applicable only in a period of shortage.

Conservation incentives: The best incentive to conserve, says Reagan, is the high price of oil. But sagging prices could turn a none-too-nimble Detroit on its ear by aborting the shift to small and fuel-efficient cars. A fee on imported oil could smooth the transition and protect Detroit's investments.

High but stable oil prices have not been incentive enough for financially weak electric utilities to switch to coal. Conversion subsidies could save a million barrels of oil a day.

Production diversification: Geologists insist that most of the oil in the Third World has yet to be discovered. Technical assistance, loans and long-term purchase contracts from importing nations could stimulate rapid growth in their reserves. Spreading oil production would diminish the strategic importance of the unstable Gulf region.

The glut may last, but why take a chance when insurance that it will is so cheap?

THE NEW YORK TIMES.

### Choosing to Be Healthy

The announcement by the American Cancer Society of a huge six-year study of a million Americans is another indication of the new emphasis in medical research on the role of "life styles" — how people live, what they eat, their habits, cultural and social factors and individual psychological traits — in creating and maintaining disease.

Recognition of the importance of the physical aspects of behavior came first. Three years ago, a U.S. surgeon general's report summarized thousands of research findings in this way: "Of the 10 leading causes of death in the United States, at least seven could be substantially reduced if persons at risk improved just five habits: diet, smoking, lack of exercise, alcohol abuse, and use of anti-hypertensive medication." The Cancer Society's new study is an effort to learn more about the association of elements of the human environment with different cancers, and to better identify those who are at risk.

Over the years, a number of risk factors associated with coronary heart disease, the leading cause of death in the United States, have been identified. Among them are high blood pressure, smoking, high cholesterol levels, obesity and a family history of the disease. But not everyone with these attributes gets the disease. It appears there are social

and psychological risk factors as well. The most thoroughly documented is Type A behavior, characterized by a very strong drive for achievement, impatience, aggressiveness and a sense of urgency. More recent research indicates that social isolation, meaning the lack of friends and social contacts, may be a strong risk factor for heart disease.

Among the psychological risk factors suspected of being associated with cancer, the common denominator is stress. The stressful event may be the death of a family member, divorce, marriage, a promotion, being fired, an unbalanced family budget. Researchers are finding that stress has measurable effects on most of the body's physiological systems, including hormones, the immune system, the nervous system, the metabolism. But the effects of the same event will differ in different people depending on psychological factors, such as the ability to "cope," and on social and cultural factors such as friendships and rituals that help to buffer a painful event.

At a time when so much of what happens to us seems beyond personal control, it is comforting to learn that in more ways than anyone would have imagined 10 years ago, health is a matter of personal choices and reactions to the trials of daily life.

THE WASHINGTON POST.

### Other Opinion

#### For Declaring Poland in Default

Contrary to putting "maximum pressure" on the dictators in Warsaw and Moscow, the Reagan administration's actions permit the Communist bloc to escape — at least for a time — the harsh financial consequences of Poland's de facto default.

A declaration of default would put intense financial and political pressure on the Com-

munist bloc. Polish trade would probably come to a standstill. Bankers would be forced to look more skeptically at all East bloc loans. Sen. Patrick Moynihan has introduced a bill to declare Poland in default of all its loan obligations to the United States. Thus Congress will have its chance to be heard. Perhaps it will have the courage of Mr. Reagan's convictions.

— From The Wall Street Journal.

#### Feb. 11: From Our Pages of 75 and 50 Years Ago

##### 1907: Death of a Correspondent

LONDON — The death of the veteran war correspondent, Sir William Howard Russell, may leave no perceptible gap in the fighting ranks of journalists, but the event will be deplored nonetheless by those who recall the services he rendered to the army and nation. It was largely owing to his unofficial dispatches from the Crimea that a resolute and to some extent successful attempt was made to remedy the deplorable consequences of sending ill-equipped army to face the rigors of a winter campaign in Russia. In February, 1854, he was dispatched as special correspondent of The Times with the advance guard of the British expedition to the East on the declaration of war with Russia.

##### 1932: Students Riot in Japan

TOKYO — Student riots in Japanese university cities, in an organized protest against "Japan's imperialist war in China," have presented a new and serious problem for a government already in the midst of a Cabinet crisis over the military coup in Shanghai. Hundreds of students attended mass meetings in Imperial universities to denounce Japan's armed intervention in China. The manifestations were part of the bitter struggle going on in Japan between those in favor of parliamentary government and the section represented by the military leaders. Events in China have given the military leaders a dominant position in national affairs that they are determined not to surrender.

SAN SALVADOR — Seen up close, the war in El Salvador is not always the same war the Reagan administration sees in Washington. Three days after President Reagan offered to Congress that the government of El Salvador "is achieving substantial control over all elements of its own armed forces," the army killed 17 men and three women in a suburb of this capital and then released a highly dubious report on the circumstances of their deaths.

If this represents substantial control, one must perhaps assume that the executions were a matter of government policy.

"Our network is giving the people of the United States one minute and 10 seconds of bodies for breakfast," a television producer told associates at the bar of the El Camino Hotel. A throng of newsmen from the United States were here to see how human rights are going in El Salvador. Among those who probably saw the television footage was Thomas O. Ender, the U.S. assistant secretary of state for inter-American affairs, who testified at a congressional hearing in Washington about El Salvador's progress in human rights.

"Thanks to the efforts of the military," Ender told the congressmen, "the level of violence against noncombatants has fallen."

That he had to deliver lines like this after America had breakfasted with "one minute and 10 seconds of bodies" is part of the heavy price the United States has to pay in credibility for supporting the El Salvador regime. The regime does not conduct credible or credible military operations, nor will it base its actions on what people abroad think. The military seems to do what it wants, and the Reagan administration then has to defend it. "It is like the sins of the son being shared by the father," a European diplomat in San Salvador remarked.

The leftist guerrillas fighting the military-civilian government headed by José Napoleón Duarte have splendid public relations. They know how to make the most of any success on the part of the government forces. And the government, as in the case of what happened the other day to 20 civilians in the slum suburb of San Antonio Abad, gives the rebels all the material it needs.

"The problem is that what you see is the government fighting a war in which soldiers

#### By Dial Torgerson

kill civilians, and the guerrillas fighting a war in which they kill soldiers," said a diplomat.

Far up in the countryside, or in quick, mean little actions at outposts scattered across El Salvador, the army does fight uniformed, well-armed, well-trained guerrilla forces, which the United States says are trained and armed by Cuba with Nicaragua's help. But what the world sees is mostly the sort of thing that happened in San Antonio Abad.

The government said at first that a firefight had broken out between "subversives" and the army in the working-class suburb on the slope of 6,000-foot San Salvador Peak, a volcano used as a guerrilla hideout. Five soldiers, the government said, had been wounded.

The next day, the army said that troops had raided a meeting of a rebel cell, firing had broken out and the 20 civilian casualties were the result. The army accused the foreign press of reporting the incident inaccurately. Later, President Duarte said the civilian casualty toll to 28 and said that five soldiers had been killed in the battle.

#### 'Go Out and Annihilate'

None of the government stories fit with another account of the incident. A diplomat who studied the bodies found that 17 of them had been shot in the head at point-blank range, and that three of them showed signs of torture. Many were in their nightclothes or partially dressed, as if awakened from sleep. The people died, in twos and threes, in scattered locations around the fringe of the neighborhood, not in one place. "I can't understand how people who are fairly intelligent can do things with such lack of finesse," a San Salvador intellectual said, referring to the army leadership.

"Their policy is to go out and annihilate civilians who help the guerrillas. That's what they do. And then they always say there was a fight. It doesn't matter that the people were killed in their underwear."

Human rights groups here are investigating reports that more than 1,000 civilians were killed in a sweep by government forces through northern Morazan province in December. Guerrilla forces retook the area

and then allowed U.S. journalists to enter it from Honduras. They showed them scores of bodies, and gave them the names of hundreds of persons they said had been executed by the government troops. "The guerrillas stole the civil registry," said a diplomat who investigated the case. "They could have just copied the names and ages out of the registry. We know people were killed, but we can't say how."

Ender, questioned about the killings in Morazan, said in Washington that "it is not possible to disprove that civilians died." However, they died, the guerrillas were getting a public relations dividend from the deaths.

The war is more than public relations. It is grim and violent and, as a State Department spokesman said, it marks a critical juncture in Salvadoran history. Most observers believe that without U.S. aid the government would probably lose soon to the guerrillas. But U.S. aid is tied under terms of the Foreign Assistance Act for fiscal 1982 to progress in human rights. And because the war is so bloody, the government is going to have a hard time easily convincing anyone that it is improving human rights.

Reagan aims to increase aid to El Salvador from \$66 million a year to \$200 million a year. The Salvadoran Army desperately needs helicopters to use in fighting the guerrillas, who roam freely through the rugged countryside. Six of the government's 14 copters were lost in a daring guerrilla attack on Jan. 27 against Ilopango air base near San Salvador.

Knowing this, the rebels stepped up their attacks the next week across wide areas of the country. Reagan wants \$55 million on an emergency basis to replace the lost aircraft.

And so, seeking congressional approval of the aid, President Reagan submitted a presidential determination to Congress certifying that "the government of El Salvador is making a concerted and significant effort to comply with internationally recognized human rights."

But, at the foot of San Salvador Peak, where bloodstains mark the places where at least 20 people died before dawn on a recent Sunday, what the effort has gained was hard to see.

The writer is a Los Angeles Times correspondent based in Mexico City.

CAYETANO Carpio is the son of a leader of the Salvadoran guerrillas. The following are excerpts from remarks he made in El Salvador to a representative of the Interlink Press Service, which distributes Third World news. Mr. Carpio heads the Popular Force of Liberation, one of the main components of the Farabundo Martí National Liberation Front.

The Reagan administration already has a combat role in El Salvador. One of the biggest dangers of the elections proposed by President José Napoleón Duarte is supported by the Reagan administration is that they will serve as a smoke screen for a stepped-up offensive and for increased logistical support from the Pentagon.

Already, helicopters supplied by the United States provide essential support for all of the junta's military operations. They bring in relief troops for those who are wounded or have been decimated after a clash with our forces. Helicopters carry the junta's troops to the best positions for launching attack against our camps.

Whenever they come upon a group of civilians, whether hidden in a ravine or standing near their homes, they fire. They are constantly firing at our camps and even drop bombs. When roads are destroyed, helicopters bring in the units that carry out the genocide cleanup operations. Helicopters are the guts of this kind of war.

But weapons are not the only factor. If it were only a technical question of one military unit against another, we could make a prediction in military terms. But you can't make such calculations in a popular war that has been going on for over 10 years, pitting the army against the people and engulfing the whole country.

Our program is for a democratic, revolutionary government, not for a Socialist government. The program for the democratic government is very broad — broader than that of many of the democratic governments in Europe.

As part of the effort to achieve dignity and national sovereignty in El Salvador, there is room for everybody's contribution, from large businessmen to small farmers and merchants — for anyone who supports the independent development of the country, opposes fascism and wants democracy. We don't believe that this broad program has anything to do with Socialism or a Socialist government.

#### Diversity

The popular movement is made up of a wide range of forces with different ways of thinking, who have joined together in this broad program. This coalition will help the country find solutions to its problems and will give the people the political freedom necessary to organize and carry forward the struggle for a program that includes democracy, social justice and independence. The Marxists, for example, have agreed to support this program because everybody must be realistic, and being a Marxist is not synonymous with being unrealistic.

There is no truth to the claim that all the different forces that support this program will have to give up their particular viewpoints. Why should we ask Christian Democrats or Marxists who support a just, independent and peaceful democratic government to give up their ideals when everyone is agreed to work within a government that is not Socialist?

Why should we ask Christian Democrats, for example, who support this program, to abandon their point of view? They may support communitarian types of organizations, but reactionaries might even consider to be Communism. Why should we expect uniformity of opinion?

This is why the campaign by Reagan's propaganda office and by the Pentagon and the CIA about the immediate formation of a Marxist government in El Salvador is so fallacious. They are perfectly well aware of our democratic program for a new government.

Besides, how can they say that Cuba is responsible for the revolution in El Salvador when we were fighting to change the situation long before Cuba itself was liberated? Our revolution is rooted in the internal situation in our country. The real source of the crisis is extreme social injustice — the enormous gap between the few who dominate and own everything and the Salvadoran people.

I have seen children 4, 5, 6 years old shot down by bullets from helicopters with North American advisers in them.

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### Keeping an Ear Open on a Barbados Holiday

#### By Flora Lewis

SPEIGHTSTOWN, Barbados — It's easy enough to see why the Reagans wanted to spend a few days here with their old Hollywood friend Claudette Colbert in the spring, after a miserable winter.

Mrs. Colbert has a beautiful airy house in lush gardens by a limpid lake and turquoise sea, and there is no more charming hostess.

But the Reagans can't stay with her. A president can't just drop in, especially in a foreign country. Security requires a place that can be heavily guarded and isolated. Communications and staffing, essential at all hours even on vacation, take lots of paraphernalia and space. And protocol and politics impose certain national duties whenever the head of government makes a trip abroad.

The Barbadians have responded graciously to the Reagans' wish to visit. They consider it a windfall of publicity for their tourist industry, which, as in the rest of the Caribbean, is ailing because of the recession. They also chose to see it as a mark of official United States interest in the region's problems, and they hope the president will gain some understanding of the real needs that plague even fairly tale islands.

Despite the inevitable irritating disruptions that the visit will cause a small community accustomed to a slow pace, Barbados is making an effort to assure a happy trip for some 300 people in the presidential suite.

So it has to be a "working holiday," and the first family will stay in a more protected house on the golf course and go to swim at Mrs. Colbert's beach. Reagan will receive "friendly neighboring leaders" at lunch and call on Prime Minister Tom Adams.

The main problem is going to be expectations. There have already been a lot of talk

and several international meetings on the administration's announced Caribbean Basin Initiative. But apart from aid for Jamaica, there has to be any concrete sign of what it actually means.

Washington keeps proclaiming the prime importance of promoting private initiative. But local leaders say they are having more trouble now finding anybody in Washington to talk with about their immediate concerns, which have to do with access to U.S. markets for the exports that enterprise is supposed to be developing, as well as development aid.

Less sophisticated people assume the president is coming just because he sympathizes and wants to be helpful. If the brief "working" part of the holiday doesn't include at least some offers of better trade cooperation, there will be a very abrupt disappointment. Bernard St. John, Barbados' deputy prime minister and minister for foreign affairs, already says with some exasperation that he can't discover what the advertised new U.S. Caribbean policy is. Once again, it seems to offer slogans without delivery of economic opportunity, and, in return, a demand for a political version of the "strategic consensus" idea in the Middle East, trying to mobilize moderates against leftists.

St. John sees this as a corrosive approach, undermining the essential longer-term goal of establishing Caribbean institutions. There are more tiny independent states trying to survive here than in any other part of the world. The attempt to create federations in the wake of decolonization collapsed because of local rivalries and personal ambitions. But a generation later, responsible

people have come to see that the only hope for viable growth lies in regional cooperation. None of these little countries can get far on its own. But it is a tricky task in an unstable area, and the political situation among local states makes it a lot harder.

Presumably, "friendly neighbors" invited to see Reagan will not include Grenada's Maurice Bishop, now closely involved with Cuba and Nicaragua. The government of Barbados, stable and democratic, is as worried as the United States about Bishop's enlargement of Grenada's airport to intercontinental capacity — obviously military as well as civilian — with help from Cuba.

But St. John argues that instead of dividing Caribbean governments on the stark test of being pro- or anti-Cuba, the United States should encourage regional institutions and "let us deal with problems like Grenada." It is good advice if the United States is more concerned with the future than with its own high-pitched debate about how to show its resolve in countering Communism.

Already, the opposition party in troubled Guyana is denouncing pressures from the United States "to join the anti-party, anti-Communist, anti-liberation axis which already includes Jamaica, Barbados, St. Vincent, Dominica and Antigua." Provoking hard external choices will not win friends for the United States or strengthen friendly governments, with their own domestic troubles.

For visitors, Barbados is a balmy place at which to get off the world for a while. But the president of the United States cannot be just a visitor, and he cannot get off the world. People here have a lot to tell him if Reagan is willing to listen while he lounges.

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### In Guatemala, the Authorities Might Yet Be Influenced

#### By Jonathan Power

LONDON — Lake Atitlán, 140 kilometers from Guatemala City, is a silver sheen of water lying below three cloud-covered volcanoes. Aldous Huxley is said to have called it the most beautiful lake in the world. Its terraced hillsides and small villages are inhabited by the descendants of the Maya Indians. The men wear broad-striped pants cut off just below the knees, the women full of colorful birds embroidered by the women. The women have skirts, blouses and shawls of an intricate weave, combining deep reds, browns and yellows. Never, anywhere in the world, have I seen such a riot of color in such mind-resting tranquility.

My visit, last February to one of the lake's villages, Santiago, came four months after a series of kidnappings and killings. The first person to be dragged away bleeding by soldiers was an educated Indian, Calán Yatz, who had dared to speak on the local church-owned radio station about human rights. Within three weeks another six people active in the local cooperatives were kidnapped. The village was petrified. For several weeks, 500 peasants slept in the town's church, a large stone building constructed in the days of the Spanish conquest. Altogether, in the four months before I arrived, 27 people disappeared. The tortured bodies of seven of them were found on the road.

The information I gleaned came from an American missionary, an elderly man who told me he was standing in for the parish priest, who had returned to the United States after the governor of the province had warned him that his life was in danger. The young priest's name was Stanley Rother, and he came back to Santiago a few weeks after my visit. Four months later he was dead, shot down as he attempted to fight off a gang that had broken into his rectory bedroom at night.

A year ago in one of my columns, I revealed that the killings carried out by death squads in Guatemala were primarily organized at the government's behest. Unlike El Salvador, where President Duarte tries, arguably lamely, to tame powerful free-lance elements of the army and rightist forces, the killings in Guatemala can be traced right to the office of President Romeo Lucas García.

The evidence was based on investigative work done by Amnesty International, but I corroborated it with my own interviews in Central America and with a former vice president of Guatemala, Francisco Villagrán Kramer, who had recently fled to the United States. At the time it was a controversial opinion. Only a year later very few people dispute it. U.S. intelligence has come to the same conclusion.

The situation, bad a year ago, has only worsened. The rate of killings appears to increase by the day. A year ago the evidence suggested that the killings were almost entirely one-sided. The guerrilla forces were small and relatively ineffectual. In a year they have grown fast and they take a severe

toll on army and police. Unlike anywhere else where there is insurgency in Latin America, the Indians are providing both the chief refuge and the recruiting ground for the guerrilla armies.

How different this is from the time of Che Guevara. He made his base among the Indians of Bolivia and it was widely observed after his death in 1967 that he made the mistake of assuming that the Indians, traditionally fearful and apathetic, could ever be the tinder of revolution.

#### Arms Embargo

A year ago, although it was observable that the country was polarizing fast, the student, church, labor and peasants' organizations maintained a certain distance from the guerrillas. Now there are indications that closer links are being forged, albeit informally. Even some church people are joining the guerrillas.

Yet it is still possible to believe that Guatemala could avoid the upheaval and carnage of Nicaragua and El Salvador. Land is not such a burning issue; the Indians, although poor and overcrowded, do by and large own their own land, unlike the peasantry of Nicaragua and El Salvador.

If the elections called for next month are fair, if moderate Social and Christian Democrats are allowed to contest them, if the government violence is brought under control, if land-grabbing in Indian territory is stopped and the government makes simple but import-

ant efforts to improve health services and agricultural advice for the Indians, the support for guerrillas might evaporate. Revolution, its upheaval and its radical consequences could be avoided.

But how persuade the Guatemalan ruling elite to listen? The Reagan administration fortunately has decided against significant military support, and its rhetorical sympathy is moderate. Yet even with a lukewarm United States, the Guatemalan government appears impervious to outside influence. Its economy is being ruined for want of new investment. Its lucrative tourist trade has dried up to a trickle. Still the government pursues its murderous course.

There is one thing outsiders could agree to do: not send in guns. This should apply as well to the Israelis, the Argentines and the South Africans who supply the government forces as to the Nicaraguans and the Cubans who may be supplying the guerrillas.

Why not take Guatemala to the United Nations and have a vote on a mandatory arms embargo?

Not only might such action contribute to controlling the level of violence, it would serve warning to the government that if the situation deteriorates, no outsider is going to come to its military rescue; and the embargo would remove the temptation of the guerrillas to draw on the resources of Marxist sympathizers.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

### —Letters—

#### A Somali View

Regarding the report on an Ethiopian offensive against Eritrean freedom fighters (IHT, Jan. 27): The painful history of colonialism testifies to the futility of using repression as an instrument to arrest popular resistance. Col. Mengistu should learn from the lessons of history. It is high time he realized that military force provides no answer to the Eritrean or Ogasden problem.

The solution lies not in the perpetration of bloodshed and destruction but in a process of peaceful dialogue and negotiation leading to a just and durable settlement of the conflict.

ABDILLAH SAID OSMAN, Ambassador of Somalia, United Nations, Geneva.

#### Rickover's Years

There is no question that Admiral Rickover leaves a remarkable legacy (IHT, Jan. 30-31), but the comment on operating for years without a serious accident deserves expansion. While it is true that there have been no serious reactor incidents, two nuclear-powered and presumably nuclear-armed submarines have sunk.

C.C. DAVIS.

London.

### INTERNATIONAL **Herald Tribune**

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listed under existing regulations for raising capital, he said.



## U.S. Says It Can Block Pipeline Know-How

By Clyde H. Farnsworth

WASHINGTON — The United States believes it can enforce its export control laws overseas to block the use of U.S. technology in constructing a proposed pipeline from Siberia to Western Europe, Deputy Commerce Secretary Lionel H. Olmer has told Congress.

Mr. Olmer, along with Ernest B. Johnston Jr., deputy assistant secretary of state, and Stephen D. Bryen, deputy assistant secretary of defense, on Tuesday told a House subcommittee on science and technology that the administration was increasing pressure on its European allies to withhold their support for the pipeline, which would bring them natural gas later in the decade.

The administration witnesses reiterated U.S. objections to the pipeline — mainly that it would create a dangerous dependence by Western Europe on the Soviet Union for energy and would add significantly to the Russians' hard-currency earnings.

In response to questions, the witnesses touched on the sensitive question of extraterritorial reach of U.S. laws.

### Different Views

Following the declaration of martial law in Poland, President Reagan announced on Dec. 29 an embargo of all U.S. exports of oil and gas equipment and technology to the Soviet Union. The United States has asked Western European nations and Japan to take parallel measures and has asked them not to undercut the U.S. actions.

But Mr. Johnston of the State Department conceded that "we have large differences of view with the Europeans" over the pipeline. The Europeans reject the notion that a dangerous dependence would be created, and so far they have taken no parallel actions against the Soviet Union.

Komatsu of Japan, according to testimony Tuesday, has sold pipelayers to the Russians. That equipment may have been supplied by Caterpillar Tractor, which

is now unable to do so because of the embargo.

The United States has also blocked the shipment of compressor parts from General Electric, which were to have been used in pumping the gas through the pipeline. Twenty-two compressors using GE turbine parts had already been built in Europe.

The United States has told France, Britain, West Germany and Italy that shipping these compressors to the Soviet Union would violate U.S. export control laws, since U.S. parts were used in them.

### U.S. Technology

Nevertheless, Alstom-Atlantique of France, one of the compressor makers, has built turbines using technology that it had acquired from GE much earlier. Mr. Olmer said the administration would decide, probably this week, whether to ask France to block shipment of the Alstom-made devices.

A Common Market official visiting Washington said that the overseas reach of U.S. laws had been a bone of contention in Atlantic relations for years. He said that, if the United States insisted on control over the GE patents acquired by Alstom-Atlantique, that could lead to a further serious deterioration of economic relations.

Mr. Bryen said the United States alone could block construction of the pipeline, but he added that U.S. actions could delay construction and add to its cost. Moscow's recent gold sales and borrowing of money have shown that it is undergoing financial strain.

### W. German Banker Sees Delays

COLOGNE (Reuters) — The gas pipeline to Western Europe will go through a rough time with delays, Wilhelm Christians, Deutsche Bank joint managing board chairman, said Wednesday.

His bank heads a consortium of West German banks providing credit for the pipeline project.

## U.S. Profits May Continue To Fall in First Quarter

AP-Dow Jones

NEW YORK — U.S. corporate profits dropped in the fourth quarter as the recession deepened, and they seem sure to slip even lower in the current three months.

A survey of 435 major corporations shows a 6-percent decrease in after-tax earnings from the year-earlier quarter. That compares with a 14-percent year-to-year increase in the third quarter.

"High interest rates, sluggish economy and a strong dollar" have combined to cut corporate profits, according to Otto Eckstein, president of Data Resources.

Albert H. Cox Jr., president of Merrill Lynch Economics, notes that "the export sector has been hit the hardest. Companies relying heavily on exports have been hurt even more than they usually would be by a recession."

High U.S. interest rates have helped keep the dollar strong, raising the prices of U.S. goods abroad and cutting into sales. Economic slowdowns in other countries have also limited demand.

Mr. Eckstein looks for exports to rise as some foreign economies recover, but he expects a strong dollar to continue to restrain U.S. sales. "American manufacturing," he says, "will still be operating at a great cost handicap."

A little arithmetic indicates that it would have been very hard for U.S. business profits to do well in the fourth quarter. Lacy Hunt, chief economist at Philadelphia's Fidelity Bank, notes that unit labor costs rose at a seasonally adjusted annual rate of 13.9 percent in the quarter, while producer prices rose at a 4.4 percent annual rate.

"Labor costs simply were rising a lot faster than the prices of products," Mr. Hunt says.

Moreover, industrial production fell at an annual rate of 16.5 percent in the final quarter of 1981, while the use of manufacturing capacity dropped at a 20.7 percent annual rate. "In addition," Mr. Hunt says, "financing costs often continued to rise and companies continued to lean heavily on expensive short-term financing."

Mr. Hunt looks for a somewhat sharper year-to-year drop in profits in the current quarter, partly because the 1981 quarter was exceptionally strong.

### Tax Benefit Swaps

But analysts generally expect profits to begin increasing later in the year, although few expect an early return to the earnings peak reached in the first quarter of 1980. Over the past two years, after-tax profits have moved irregularly at lower levels.

Some corporations, however, have benefited significantly from a provision of the federal tax law enabling companies owning little or no federal tax to sell unusable tax benefits. And corporate cash positions also continue to benefit from tax-law changes that allow companies to recover the cost of capital equipment faster.

The effect of tax-benefit swaps was often substantial. Potlatch, which reported profits rose 115 percent to \$30.6 million, would have posted a 20-percent drop had it not been for a \$19.1-million gain on a tax-benefit sale. Asarco said that without its \$34-million gain on a tax-benefit sale, it would have

had a loss instead of the \$15.3-million profit it reported.

Among the various industries, some were helped by special circumstances in the fourth quarter. Profits of many banks were aided by declining interest rates, and coal-hauling bolstered many railroads. But most companies linked to the recession-battered auto and housing industries — steel, consumer goods, tires and rubber, forest products and building materials — fared poorly.

In the auto sector, General Motors' fourth-quarter profit increase to \$97 million from \$62 million in 1980 was due to \$233 million of gains from a tax credit and income from its finance subsidiary. On operations alone, GM had a loss.

Later this month, Ford is expected to report a fourth-quarter loss exceeding \$300 million, compared with a \$316-million deficit a year earlier. And analysts predict Chrysler's loss will reach at least \$150 million, against a \$235-million deficit in the 1980 period.

The results in the current quarter may get even worse. Analysts predict that GM may break even, Ford may post a \$300-million loss and Chrysler's loss may deepen another \$100 million.

Steelmakers' fourth-quarter reports also reflected severely depressed demand. Faring best were companies making pipe and tube used in oil and gas exploration.

In the current quarter, steel executives expect demand to continue weak and losses to deepen. They note that even the tubular-goods market is beginning to soften. And they say that to a significant degree, their earnings will depend on the level of imports, which captured a 20-percent-plus share of the market in the fourth quarter. Most executives expect a gradual recovery in operations to begin in the second period.

Earnings at the big oil companies were mixed. Companies with greater emphasis on domestic oil and natural-gas production fared better because prices for domestic oil and gas were higher than a year earlier as a result of the lifting of federal controls on prices. Such companies as Atlantic Richfield, Union Oil of California, Getty, Shell Oil and Standard Oil of Indiana all registered profit gains.

This year, those companies will have trouble matching their profits on oil and gas production. Oil demand has been completed, and oil prices are sagging. Gas prices, however, will continue to rise.

Oil companies with large foreign operations fared worse. Foreign refining was weak all year, especially because the strong dollar made oil more expensive for European refineries. Thus, oil companies operating in the weak European economies have had difficulty increasing prices. Gulf, Exxon and Mobil were among those that were hurt.

Declining interest rates helped lift profits at many big banks. Citicorp reported a 125-percent surge in quarterly profit and, even after excluding a securities-swap gain, it had a hefty 85-percent increase.

But many West Coast banks, hounded with much larger portfolios of low-yielding, long-term mortgages than Eastern institutions, posted lower earnings. Bank America Corp. reported a 47-percent drop.

## Projected U.S. Budget Deficits Look Like Wishful Thinking

By Leonard Silk

New York Times Service

NEW YORK — Despite the efforts of President Reagan and his economic advisers to treat the projected deficits in the federal budget as relatively small and harmless, Wall Street finds them staggering. The financial markets are reeling from the administration's estimates of deficits of \$98.6 billion in the fiscal year 1982, \$91.5 billion in 1983, \$82.9 billion in 1984 and \$71.9 billion in 1985, for a four-year total of \$355 billion.

But those figures do not include off-budget outlays, which the administration estimates will total \$60.6 billion over the same four fiscal years. When they are added, the U.S. debt, which reached \$1 trillion in fiscal 1981, will climb to \$1.41 trillion by 1985.

Unfortunately, that forecast looks overly optimistic when one examines the budget more closely. For instance, the administration estimates that off-budget outlays, which ran to \$21 billion in 1981, will fall

to \$11 billion in 1985. It looks relatively hopeful to project off-budget outlays at \$20 billion a year in current dollars, which would still represent a sizable decline when adjusted for inflation. At that rate, off-budget outlays would total \$80 billion, not \$60 billion, in the next four years.

Take another wishful item: the sale of offshore oil leases. The budget projects rents and royalties from the continental shelf at \$18 billion a year in 1983, 1984 and 1985. But those receipts came to only \$10.1 billion in 1981 and are projected at \$7.8 billion in 1982.

Since oil prices have been easing under pressure of the world oil glut, and since oil companies are feeling squeezed, it appears dubious to assume a more than doubling of rents and royalties on the outer continental shelf in the next three years. If receipts from those oil and gas leases were assumed to stay at the 1981 level of \$10 billion in each of the next three years (more than \$2 billion above the 1982 level), the optional debt would be \$24 billion higher by 1985 than is forecast.

Even if Congress gives the administration all the social budget cuts and revenue increases it is seeking, the projected deficits could be too low if its economic assumptions prove to be too optimistic. If real gross national product were to rise by

relation to GNP. Thus be notes that while the annual deficits in 1975, 1976 and 1977 were 3.6, 4.5 and 2.9 percent of GNP, respectively, he expects the deficits for 1983, 1984 and 1985 to be only 3.2, 2.7 and 2.2 percent of GNP. However, if the deficits are re-estimated on the assumption that real economic growth in the next three years averages only 2 to 3 percent per annum, the deficits could climb from nearly 4 percent of GNP in 1983 to 5.5 percent in 1984 and 6 percent in 1985.

To finance deficits of such size, the Treasury might have to absorb some 50 to 60 percent of private savings — roughly double recent levels. This would put intense pressure on interest rates, slowing economic growth and, in all probability, thrusting the economy back into recession. The administration is counting on huge increases in savings as a result of its tax programs to prevent government borrowing from swamping the credit markets. But if this hope is mistaken, the outcome in the financial markets and the economy will be dismal indeed.

How can this be avoided? Fundamentally, by preventing another collision between the big deficits that appear to lie ahead and the restrictive monetary policy aimed at preventing inflation. What is needed is a significant change in both fiscal and monetary policy.

The administration should take measures to head off huge deficits down the road, even if it involves postponing the third year of the tax cuts and tightening the military budget. A less deficit-ridden fiscal policy would clear the way for a somewhat easier monetary policy that would help bring down interest rates and avoid the danger of a severe liquidity crisis to U.S. business and to the world economy.

Such a new policy mix need not be inflationary. The economic system is not suffering from excess demand. Rather, the chief problems, both at home and abroad, are rising unemployment, slowing investment and dangers of protectionism in a worldwide economic slump.

### NEWS ANALYSIS

only about 3 percent in both 1983 and 1984, instead of 5.2 percent in 1983 and 4.9 percent in 1984 as forecast, the deficit would rise to \$130 billion to \$135 billion in each of those two years.

### Mourning Deficits

On the assumptions that the administration's forecasts are too optimistic and that it does not get the spending cuts and higher revenues it is seeking, the deficits would mount higher — probably to \$190 billion in 1983 and \$210 billion in 1984.

The president has sought to minimize the impact of the deficits by projecting by comparing them to earlier deficits in

## Paribas Link To Swiss Unit Strengthened

By Michael J. Strauss

AP-Dow Jones

GENEVA — Pargesa Holding, which became the majority shareholder in Paribas (Suisse) after wresting control away from Cie. Financiere de Paris et des Pays-Bas, has agreed to establish a working relationship and to slightly increase the former owner's minority stake in the Geneva bank.

Under the agreement, Pargesa and the French bank will create a shareholders' syndicate that would control 80 percent of the common stock of Paribas (Suisse) after the bank increases its capital by 50 percent next week. The two firms will each control 40 percent of the Geneva bank's total shares through the syndicate.

Pargesa Chairman Andre de Puyffler said that when Paribas (Suisse) boosts its capital Feb. 19 to 270 million Swiss francs (about \$142 million) from 180 million francs, Cie. Financiere will be allowed to subscribe to more shares than its current stake would allow. This will cause Pargesa's proportional ownership in the bank to be reduced to 57 from 60 percent, while Cie. Financiere's stake will rise from 37 percent. The remaining 3 percent is in the hands of other shareholders.

Pargesa wrested control of Paribas (Suisse) last October in a successful bid to keep the Swiss branch of the Paribas empire from being nationalized by the French government.

According to Pargesa, the managing syndicate may be transformed into a Swiss holding company at a later date. If this happens, it said, Pargesa and Cie. Financiere "envisage to balance their holdings held outside of the syndicate."

Pargesa said Paribas (Suisse) "will continue to have full use of the Paribas network to enhance its expansion in Switzerland as well as internationally," and that the bank will retain its name even though it is no longer controlled by the French Paribas group.

Paribas (Suisse) has branches and representative offices elsewhere in Europe and North America and owns a subsidiary in the Bahamas.

Pargesa itself has begun to expand abroad. It is leading a group of four firms that will take control of about 33 percent of Groupe Bruxelles Lambert through a 50-percent capital increase by the Belgian financial holding company.

Eric Kissler, managing director of Paribas (Suisse) said, "I think we have succeeded in re-establishing good relations between... Cie. Financiere and Pargesa." A senior manager of Cie. Financiere who participated in the talks agreed, adding that "it's in everyone's interest to ensure that Paribas (Suisse) becomes as profitable as possible."

Mr. De Puyffler said Paribas (Suisse) and Cie. Financiere would have continuous consultations and, in general, a common policy. But it was evident that Pargesa, with its majority interest, would have the upper hand if the French government's way of banking conflicted with that of the bank's Swiss managers.

German Bankruptcies Soar

Reuters

WIESBADEN, West Germany — West German bankruptcies rose 27.5 percent last year to 11,653, the highest since World War II, the Federal Statistics Office said Wednesday.

## Volcker Backs Upper-Range Target for M-1

Reuters

WASHINGTON — The Federal Reserve believes the acceptable rate of growth in the U.S. basic money supply this year to be in the upper ball of its 2 1/2-to-5 1/2 percent target range.

In testimony before the House Banking Committee, he said such a rate would not be a problem given the present level of the M-1 measure of the money supply and its relatively slow growth last year. He also said M-1 could acceptably remain somewhat above its "implied growth level" during the period immediately ahead.

But he stressed there should be no confusion about the Fed's basic message: "Consolidating and extending the heartening progress on inflation will require continuing restraint on monetary growth, and we intend to maintain the necessary degree of restraint."

His statements were in line with the policy urged by Treasury Secretary Donald Regan, who has called on the central bank to shoot for the upper ranges of its money-growth targets. Administration officials, while praising Fed efforts to restrain credit, are concerned that growth in the money supply will be too slow to accommodate the economic recovery.

Mr. Volcker said M-1 growth "in the upper part of the range specified for 1982 would be roughly the equivalent of a rate of growth of 4 percent from the lower end of the range targeted in 1981." In 1981, the Fed set a 3.5-to-6 percent target range, but actual growth was 2.3 percent.

He said M-2, a broader measure that includes such items as savings accounts, grew 9.4 percent in 1981, slightly above its 6-to-9 percent target range.

An outcome in the upper half of the M-2 target range of 6-to-9 percent for 1982 appears more likely and desirable, Mr. Volcker said.

Mr. Volcker said the Fed would reconsider its 1982 growth target for M-1 if there is evidence that the recent exceptional growth of M-1 is indicative of some fundamental and lasting change, such as a larger shift into interest-bearing checking accounts, called NOW accounts.

Most of the sharp rise in the money supply late last year and in January was concentrated in NOW accounts and may reverse itself, he said.

## CEA Predicts 3% GNP Rise

From Agency Dispatches

WASHINGTON — President Reagan's Council of Economic Advisers said Wednesday it is projecting that real gross national product will rise 3.0 percent this year, compared with an increase of 0.7 percent in 1981.

The council, in its annual report to Congress, said inflation, as measured by the GNP deflator, is projected to rise between 7 and 7.5 percent in 1982, declining from an 8.6-percent level last year.

Council Chairman Murray Weidenbaum told a press briefing that gross private saving, which includes both business and personal saving, is projected to rise to \$537 billion in 1982 from \$479 billion in 1981 and to climb to \$636 billion in 1983 and \$730 billion in 1984. He said available savings in the United States and abroad would be adequate to meet both private investment demands and government borrowing.

In the report, the CEA said there would be slight increases in output and employment in the second quarter followed by expansion at more than a 5-percent annual rate through the rest of 1982.

In other remarks, Mr. Weidenbaum said the administration would consider suggestions that the 10-percent income tax cut set for July be scheduled earlier to help spur economic recovery.

On the issue of the impact of U.S. monetary policies on other nations' economies, the council argued that both the United States and the rest of the world would benefit from "a stronger and more stable dollar," and that the dollar's strength depends on the ability of the United States to pursue non-inflationary policies.

The advisers suggested that, "as a general proposition," one way to achieve compatibility is for other countries to adopt the "monetary rule" of a large country whose avowed goal is to stabilize prices."

### CURRENCY RATES

Interbank exchange rates for Feb. 10, 1982, excluding bank service charges.

	\$	£	DM	FF	Y	Sc	S	DK	Sw
Amsterdam	2.3775	4.812	10.24	42.8	0.0085				
Bombay	40.41	74.623	17.04	67.45	1.31*				
Frankfurt	2.3675	4.876		99.37	1.071				
London (N)	1.0000		2.3649	4.771	11.075	258.20			
Paris	1.36455		20.48	70.83	467.04	31.31	66.41	165.84	
New York		1.2834	0.6228	0.1444	0.0771	0.0883	0.0247	0.57	0.1291
Porto	4.0075	11.134	253.89	21.57*	4.225*	27.15*	14.89*	76.82*	7.28*
Stockholm	1.399	2.5102	8.21	31.57*	1.105*	4.202*		24.02*	
Zurich	1.3648	0.599	24.49	83.18	1.3083	2.682	41.792	1.642	8.201

Dollar Values

	Currency	Per \$ U.S.		Currency	Per \$ U.S.
1.0072	Australian dollar	0.9177	0.6072	Israeli shekel	17.24
0.0041	Austrian schilling	16.425	0.0042	Japanese yen	236.79
0.0022	Belgian franc	44.81	3.072	South African rand	1.281
0.0027	Canadian \$	1.2148	0.0173	Malay, Singap.	2.3185
0.0088	Denmark krone	7.4618	0.1674	Norw. krone	0.8463
0.0013	French franc	4.0083	0.1728	Phil. peso	0.0492
0.0114	Greek drachma	60.45	0.0144	Port. escudo	20.48
0.17	Hong Kong \$	0.0925	0.0023	Saudi riyal	2.4665
1.4845	Italian L.	0.0227	1.1371	S.S.R.	0.0025

(\$ Sterling; 1200 1/16% L.

(\*) Commercial bank; (N) Amounts needed to buy one pound; (\*) Units of 100; (L) Units of 1000.

## Dollar Closes Off Slightly

From Agency Dispatches

LONDON — The U.S. dollar closed lower Wednesday against most currencies as the markets absorbed remarks by Federal Reserve Board Chairman Paul A. Volcker on the U.S. money supply outlook.

Dealers said Mr. Volcker's comment that money supply measure, M-1, could stay above target in the short term indicated that interest rates will stabilize rather than turn lower.

The dollar closed at 2.3660 Deutsche marks, down on Tuesday's close at 2.3742. Sterling closed at \$1.8475, slightly up on Tuesday's \$1.8415.

Other London exchange rates for the dollar Wednesday compared with Tuesday's late rates were: 1.8990 Swiss francs, down from 1.9110; 6.02 French francs, down from 6.0355.

Dealers said the dollar moved little during Mr. Volcker's testimony and quiet conditions were due to a reluctance to deal for Friday and Monday, when New York banks are closed for the Lincoln and Washington birthday holidays.

In Frankfurt, dealers said the Bundesbank sold \$9.4 million when the dollar was fixed at 2.3665 DM, after reaching five-month high of 2.3750 Tuesday.

Eurodollar deposit rates, which supported the dollar in early trading, finished almost 4 points higher on the day, having shown little reaction to Mr. Volcker's comments.

In New York at midday, the dollar was quoted unchanged from London close.

This announcement appears as a matter of record only January 1982

## TÜRKİYE CUMHURİYET MERKEZ BANKASI

(Central Bank of the Republic of Turkey)

**U.S. \$70,000,000**

## Short Term Oil Financing Facility

Managed by

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) The National Bank of Kuwait S.A.K.

Co-Managed by

Gulf International Bank B.S.C. Arab Banking Corporation (ABC)  
Banco Arabe Español, S.A. - "Aresbank" The Commercial Bank of Kuwait S.A.K.  
FRAB Bank International Kuwait International Finance Co. S.A.K. (KIFCO)  
Libyan Arab Foreign Bank

Provided by

Arab Banking Corporation (ABC) Arab Trust Company K.S.C.  
Banco Arabe Español, S.A. - "Aresbank" Banco di Roma - Hong Kong Branch  
Bank Al-Jazira Bank of Bahrain and Kuwait, B.S.C.

The Bank of Kuwait and the Middle East K.S.C.  
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Agent

The National Bank of Kuwait S.A.K.



## NYSE Nationwide Trading Closing Prices Feb. 10

Tables include the nationwide prices up to the closing on Wall Street.

... (Continued from Page 6) ...

... (The following text is a dense, repetitive pattern of characters and symbols, likely a scanning artifact or a placeholder for a large table or figure.) ...

**CHILE**  
**Risk Contracts**  
**Empresa Nacional del Petroleo (ENAP)**

calls for:

Prequalification of companies interested in participating in future biddings on exploration and exploitation of hydrocarbons through risk contracts

# CHILE

## Risk Contracts

## Empresa Nacional del Petroleo (ENAP)

**calls for:**

## Prequalification of companies interested in participating in future biddings on exploration and exploitation of hydrocarbons through risk contracts

**bid 1 :** 10 to 12 blocks of about 5,000 sq.km. each in the offshore central zone (33°S to 41°S).

**bid 2: Several blocks in the offshore south zone (48°S to 51°20'S)**

**bid 3 :** Several blocks in the Gulf of Ancud offshore, interiors waters (41°30'S to 43°30'S), Arauco peninsula onshore (37°S to 38°S) and Osorno-Llanquihue zone onshore (40°15'S to 41°30'S).

All interested companies, associations or consortia that fulfill the requirements of the Bases of Prequalification will be able to participate in the prequalification. Only those duly qualified will be able to participate in the biddings.

**Prequalification bases are available to interested companies between February 8 to March 19 upon receipt of a US \$250 nonrefundable fee per check payable to ENAP.**

**ENAP**  
Ahumada 341  
Santiago-Chile  
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**New Issue / February 3, 1982**

U.S. \$250,000,000

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Discount Notes due February 3, 1992

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الشرق الأوسط

# For the First Time, Saudi Search for Oil Appears Strained

By Douglas Martin  
New York Times Service  
RUBAL KHALI, Saudi Arabia — "This place is no good," said Mubarak al-Bark, describing the wasteland where he helps prepare oil drilling sites for the Arabian American Oil Co., or Aramco. "Too much sand, too much wind, too much heat in summer and too much cold in winter — too much everything."

## Worldwide Issue Of Bonds Being Planned by China

PEKING — China plans to issue bonds on international markets to raise money following a favorable response to its placement of yen bonds in Japan last month, the English-language newspaper China Daily said Wednesday.

It quoted Lei Renmin, deputy general manager of the China International Trust & Investment Corp., as saying, "The bonds will be issued on Japanese, European, American and Asian markets in the light of need."

He said there had been a favorable response to the 10 billion yen (\$42 million) bond issue in Japan last month. The issue showed China had entered the international market, he said. He gave no indication of the size of the planned bond issue.

The 12-year bonds placed in Japan carry a 6.7 percent annual interest and are being sold to about 30 Japanese financial institutions. Western banking sources said the next Chinese bond placement was likely to be in dollars and would be aimed at gaining experience of international markets rather than as fund-raising.

## Norway to Cut Price Of Oil \$1.50 a Barrel

OSLO — Norway will cut the price of North Sea crude oil by \$1.50 a barrel this week, a spokesman for the government oil company Statoil said Wednesday.

The new price of \$35.50 a barrel will be announced Thursday or Friday following completion of talks with Statoil's leading customers and will be effective early next week, the spokesman said. The move follows Britain's price cut for its North Sea crude of \$1.50 a barrel to \$35 a barrel that took effect Tuesday.

the Ghawar, contains more liquefied hydrocarbons than all of the United States, oil is increasingly elusive even here. As a result, statistics yet to be made final may show that in 1981 Saudi Arabia, for the first year ever, pumped more petroleum than it replaced with new discoveries.

No Large Ones  
Indeed, for several years, oil company officials note, the country has managed to increase reserves each year mostly by extending the dimensions of existing fields, not by discovering large new ones.

"We're not finding the huge oil fields we used to find so easily," said James P. Mandaville Jr., administrator of policy and planning for Aramco. "We're now going back with a fine-toothed comb looking for smaller structures."

This is only the first of Saudi Arabia's oil problems — difficulties, to be sure, that nations possess in energy resources might eagerly embrace. Not only is oil harder to find, but it is also harder to produce. In some fields production has begun to sputter, in others pipes and equipment are corroded, and in still others successful new practices are being tested.

"The fields cannot take the beating they used to," said Dr. Ali D. Jolani, a Saudi academic with an international reputation as an energy analyst. "They need to be treated more gingerly."

As a practical matter, this means the injection of water and gas to maintain underground pressures, intensive daily monitoring of the behavior of the fields and the wide use of computers as decision-making tools.

A not uncommon view among Saudis is that Aramco — operated by the four biggest U.S. oil companies — has caused the problems by abusing the fields and permitting production at too rapid a pace. "Aramco is a foreign beast here just to exploit our wealth," a Saudi economist said. "Its only concern is to produce as much oil as possible, as rapidly as possible, at the least possible cost."

Aramco rejects such charges, saying it has followed much more rigorous production procedures than normally employed in the United States. In any case, officials note that the Riyadh government has had veto power over major decisions and regularly hires independent experts to monitor the company.

Harsh Environment  
But Aramco does not dispute the fact that the harsh Saudi environment creates unusual difficulties. High concentrations of salt in the water and sulfur in the oil combine to corrode pipes. Chronic water shortages impel the simultaneous injection of different kinds of water — sea water, deep ground water and water from the oil reservoirs themselves — whose combina-

tive effects, according to Saudi experts, may prove harmful. "After awhile you might find yourself pumping water, and leaving the oil in the ground," said Ali G. Ma'adhab, a major technical expert at the research institute of the University of Petroleum and Minerals in Dhahran.

If the Saudis continue to find fault with Aramco, they will increasingly have only themselves to blame. In 1973, Saudi Arabia acquired a 25-percent interest in Aramco's crude oil, concession rights, facilities and production. In 1974, the government increased that interest to 60 percent and in 1980 acquired the remaining 40 percent.

In essence, the world's largest oil producing company is thus bought and paid for. The four U.S. companies (Mobil had owned 15 percent, with the remainder split equally among the other three companies — Exxon, Texaco and Standard Oil of California) have all received checks, based on book, not replacement value. However, the deal has never been formally made final, and analysts are anxiously watching to determine what Aramco's future will be.

The question is important chiefly because of the Saudi Arabian government's practice of granting the four companies special access to Saudi crude, a policy that has not wavered despite the takeover of Aramco's assets. This access has guaranteed secure supplies when the oil market has been tight, and has also often meant cheaper prices.

when the market is loose. U.S. consumers have directly benefited.

Neither Aramco itself, officials of the shareholder companies, nor the Saudi oil minister, Sheikh Ahmed Zaki Yamani, express nervousness over the unresolved nature of the future relationship. "They are relaxed and we are relaxed," Sheikh Yamani said. "When we sit down to talk and make an understanding, it is respected more than a piece of paper is respected elsewhere."

Big Growth  
Indeed, at a time that Aramco might have been expected to fade away, it has grown tremendously. The total number of employees has surged to 53,437 from 20,067 in 1976. Sheikh Yamani defines Aramco's new role as that of a service company to meet the technical needs of a new national oil company to be carved out of Petroleum, the existing state oil entity.

"Aramco won't make a profit," the oil minister explained. "It will operate at a loss." The nationalization process has been so smooth in part because of the long, cozy relationship that Aramco has cultivated with Saudi leaders. Aramco purchased food and provided chiefs for King Ibn Saud, the founder of modern Saudi Arabia, and looked after the royal family's vehicles. It has also subtly administered Saudi Arabia's prohibitions against Jews by never knowingly hiring one.

Evidence is mounting, however,

that the quasi-colonial paradise that Aramco created after coming to Saudi Arabia in 1932 might be changing.

Aramco employees wonder how long they can remain isolated from such social conventions as the country's prohibition against women driving automobiles. "We don't have the pretty little Western isolation from social pressures we used to enjoy," Mr. Mandaville said.

The basic reason is that Aramco is increasingly a Saudi company in work force as well as ownership. More than 29,000 Saudis now work for Aramco, compared with less than 15,000 in 1976. Although one Western employee complains that the work of Saudi employees is so substandard that Aramco amounts to a "child welfare society

for Saudis," there exists evidence of both achievement and improvement.

About 14,500 Saudi employees are enrolled in on-the-job training programs conducted by Aramco, and another 550 are studying on a short-term basis in the United States, Europe and Egypt. In addition, Aramco is footing the bill for university educations for more than 500 Saudis in the expectation that they will work for the company when they graduate.

This educational effort is paying off in rapid advancement. Although the chairman and president of Aramco are still Americans, seven of 21 directors are Saudis, and two of eight senior vice presidents and seven of 22 vice presidents are Saudis.

## Floating Rate Notes

Closing Prices, Feb. 10, 1982

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Bank of England	11 1/4	Industriale Bank	11 1/4
Bank of France	11 1/4	Paribas	11 1/4
Bank of Italy	11 1/4	San Paolo	11 1/4
Bank of Japan	11 1/4	Union Bank	11 1/4
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## INTERNATIONAL EXECUTIVE OPPORTUNITIES

## City and Code: \_\_\_\_\_



Tables include the nationwide prices up to the closing on Wall Street.

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**From Agency Dispatches**

**BaySta Gas**  
**Bentall Co.**

27%	13%	Ducom	n.70b	24	10	20
20%	15%	Dunes	n	12	33	

20%	20%	4%	15%	15%	PGE <sub>2</sub> IK	2
13	18	—	14%	12%	PGE <sub>2</sub> IK	2
17%	14	—	23%	4%	PGE <sub>2</sub> IK	1.5

15.	40	14	12%	12%	
15.	6	7	6%	6%	1%

## Japan MOVES

Jun	262.50	262.50	264.00	266.00	268.00
July	262.50	262.50	264.00	266.00	268.00

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72	18 1/2%	9%	9%	—	14	7% Refl

1	5%	20%	5%	1%
2	3%	3%	3%	
3	3%	3%	3%	

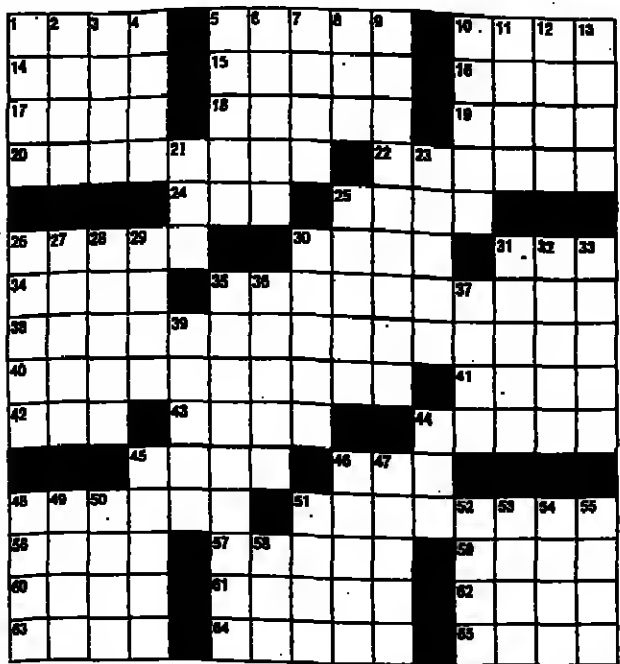
ore complaints and set up a gov-

Tokyo's latest round of measures has provoked concern among senior U.S. politicians here that key overseas suppliers of the U.S. export-led economy are snapping shut unless they move quickly to avert the widespread perception of a closed market.

But some U.S. businessmen and officials in Tokyo point out that a number of items on the list already have been in short supply in recent years.



## CROSSWORD Edited by Eugene T. Maleska



## ACROSS

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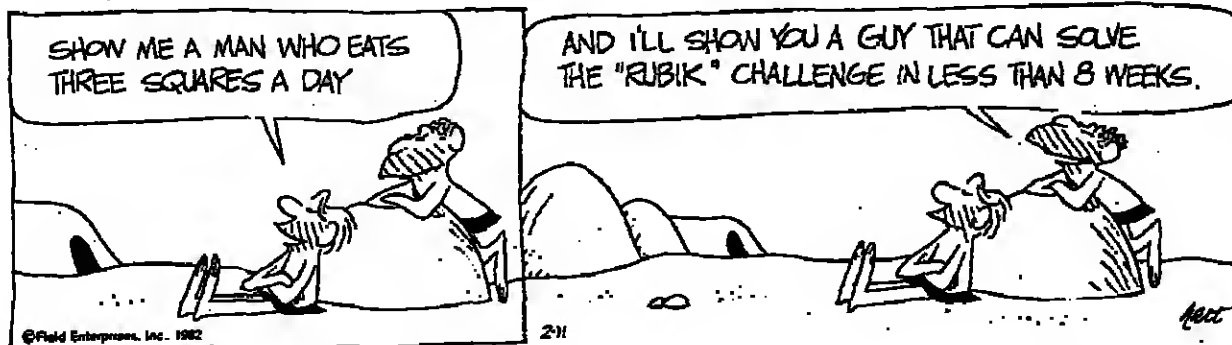
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9 Asteroid  
10 "Noster"  
11 Blind  
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21 Cotton from  
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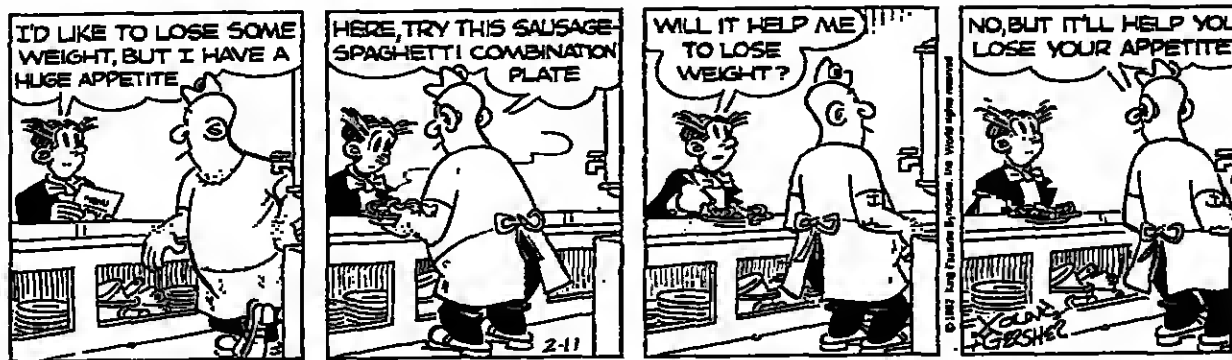
## PEANUTS



## B. C.



## B. L. O. N. D. I. E.



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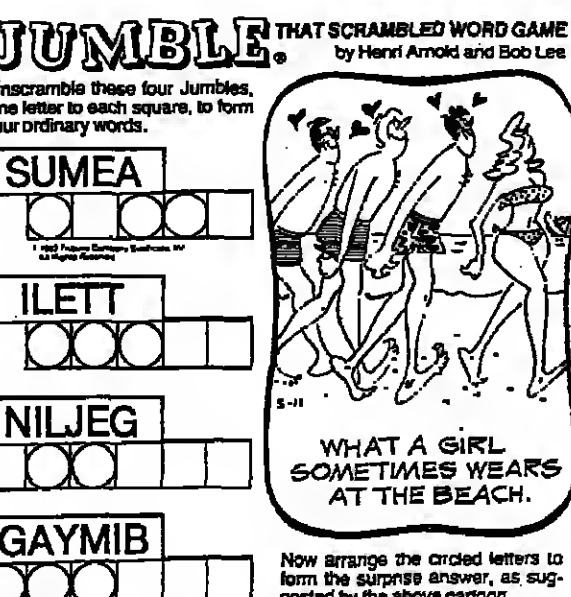
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## BOOKS

## JAMES JOYCE'S ODYSSEY

A Guide to the Dublin of *Ulysses*  
By Frank Delaney. (Photographed by Jorge Lewinski) 192 pp. \$19.95  
Holt, Rinehart & Winston, 383 Madison Ave., New York, 10017

Reviewed by Christopher Lehmann-Haupt

WHAT a way we have come since James Joyce's *Ulysses* was perceived as a parody of Homer's *Odyssey*, denouncing by implication the unheroic 20th century. Or since critics insisted that Stephen Dedalus and Leopold Bloom fail to make real contact in the final episodes of the novel, even though the two of them go home together to No. 7 Eccles Street.

Nowadays commentators claim with increasing frequency that the presence of Homer in Joyce's novel actually serves to lend heroic stature to Bloom's wanderings around Dublin on June 16, 1904. As for the relationship of Bloom and Dedalus: as Frank Delaney puts it in his *James Joyce's Odyssey: A Guide to the Dublin of Ulysses*, "the novel ends when 'Ulysses' has met his father Ulysses; the young, uncertain Joyce has met the assimilating maturity of the older Joyce."

The respect for Bloom apparent here is typical of Delaney, a journalist and writer from Tipperary who lived in Dublin from 1961 to 1968. He sees Bloom as a hero to Joyce, who in general "admired the Jews because they chose isolation and because they maintained the closest family ties, qualities evident and abundant in the man himself" and who in particular modeled Bloom after Alfred Hunter, "a Dublin Jew with a straying wife" who once picked Joyce up and dusted him off after the young writer had been knocked down and nosebleed in a confrontation over a lady.

Delaney sees Bloom as "Joyce's Common Man" in a novel devoted to the common man, because Joyce "believed that the key to human nature lay in observing the commonest acts of man, ordering a drink, eating a meal, opening an umbrella, folding a newspaper."

And so, instead of illuminating what is esoteric in *Ulysses* and what has kept so many readers from finishing the book, Delaney emphasizes what is most accessible. While all due respect for "the huge body of academic work Joyce has inspired," he announces, "this is a plain man's guide to a novel, perhaps the novel, of the plain man."

## Streetsmaps of Dublin

The handsome result seems to me to offer as useful a way as any for the neophyte to approach Joyce's masterpiece. At its most concrete, *James Joyce's Odyssey* is simply a collection of streetsmaps of Dublin, showing the precise routes that Bloom and Dedalus traveled throughout their famous day. These maps are given an added dimension by richly atmospheric black-and-white photographs of Dublin and environs, either selected from

the Lawrence Collection in the National Library of Ireland, or newly taken by Jorge Lewinski, a Polish World War II émigré now teaching photography and the history of art at the London College of Printing. If ever there could be a pop-up version of a great work of literature, then this guide would be a serious contender.

On the other hand, at its most abstruse it offers common-sense explanations of the way the 18 chapters parallel various episodes in Homer's *Odyssey* — certainly more commonsensical and compelling than the examples in Stuart Gilbert's *James Joyce's Ulysses*, once the bible of Joyce's technical intentions. For example, of the "Proteus" chapter, in which Stephen walks alone the strand at Sandymount thinking difficult thoughts, Delaney writes: "Even though Stephen wasn't an old man and didn't emerge from the waves, he still changed form. From being dull, sullen, listless and bitter he relaxed, became easy with himself, cheerful. And all around him the strand was changing with the tide, the landscape was changing with people wandering in and out of view, the sky was changing with clouds across it." As Delaney cheerfully avers, his is an enthusiast's commentary.

The rest of the text is taken up with quotes from the text of *Ulysses*, comments on sources, biographical notes, autobiographical anecdotes, gossip, jokes, as well as some sincere homage to Joyce's prose in the form of outright imitation: "flinging, clear, sinking music and strong song rises on the sighing afternoon. Over the bridges and down the cobbled quays you may meet singers and golden liquids in a sunbeamed, dim, wool-grained bar."

Delaney's *Odyssey* is not a bad way for the veteran reader to approach *Ulysses*; either. After reading the book four times at irregular intervals over nearly 20 years, I am amazed at how Joyce's language seems to grow steadily more accessible. Obviously, this is in part because the reader grows more experienced after many readings. But another, and more interesting, explanation is that some of the styles Joyce used or parodied have continued to be mainstays of popular literature. It's as if the English language, as the rest of us use it, is still racing to catch up with Joyce's permutations.

It also never stops amazing me how supple it is possible to read *Ulysses* if you're feeling intimidated. I remember the first time I fought my way through the allusive "Proteus" chapter mentioned above, I was thrown by the meaning of "lemon" in the following passage:

"His feet marched in sudden proud rhythm over the sand furrows, along by the boulders of the south wall. He stared at them proudly, piled stone mounds on sand, the slender trees, the lemon houses."

What on earth did "lemon" refer to? Something I had missed? Well, of course it simply means the color of the houses. By approaching *Ulysses* through Delaney's sensibly, generous treatment of it, the innocent reader may avoid stupidities such as mine.

Christopher Lehmann-Haupt is on the staff of The New York Times.

## BRIDGE

By Alan Truscott

THE most dedicated lover of the game to compete in the recent Fall Nationals in San Francisco was surely C.P. Chang of Shanghai, a physician of great professional distinction. For almost half a century he has been the only resident of the Chinese mainland to be a member of the American Contract Bridge League. He learned the game in 1924 as a student at the Peking Union Medical College. His medical career took him to the United States in the 30s, where he played with success in Philadelphia and Chicago.

He has been a principal force in keeping the game alive in Shanghai during the past 30 years, in the face of official discouragement. As a result, the switch three years ago, which gave bridge not only tolerance but encouragement, left Shanghai in the lead, and their players are by now by far the best in China.

At the age of 76 this cheerful and indomitable man, brushing aside the handicap of two artificial legs, traveled to Shanghai from San Francisco to take part in the Nationals.

The disgraced deal, played in Shanghai, is an example of his considerable ability. He sat South and had a difficult rebid when his partner responded one spade; one diamond would have been better and would not have created a problem. The two-club rebid was not entirely satisfactory, but neither was anything else.

When North continued by bidding two diamonds, Dr. Chang took a shot at three no-trump, satisfied that he was well-armed in the unbid heart suit.

Dummy's second suit is often the

North  
♠ A J 8 4  
♥ A 4 3  
♦ 10 7  
—

West  
♠ K 7 3  
♥ K 8 6  
♦ Q 5 2  
♣ K 9 5 4

South (D)  
♠ A J 8 4  
♥ A 4 3  
♦ 10 7  
♣ A 8

North and South were vulnerable.  
The bidding:  
South West North East  
1♣ Pass 1♣ Pass  
2♦ Pass 2♦ Pass  
3NT Pass Pass Pass

one for the defense to attack, and West decided to lead diamonds. But instead of the three he selected the queen, a mild eccentricity that came close to losing South to defeat.

The diamond queen was captured with the ace, and the club queen was led for a finesse. West held up his king, and did so again when the ten was led around to him. But he naturally lost to king, when a club was led, the jack meanwhile, East discarded two hearts.

A diamond was led to the jack, removing South's nine. East was now on lead in this position:

North  
♠ A J 8 4  
♥ A 4 3  
♦ 10 7  
—

West  
♠ K 7 3  
♥ K 8 6  
♦ Q 5 2  
♣ K 9 5 4

South  
♠ A J 8 4  
♥ A 4 3  
♦ 10 7  
♣ A 8

When East now shifted to the heart ten, it was very tempting to finesse. If West had made a normal opening lead, this would be safe, for he would have no more diamonds to lead.

But Dr. Chang suspected that West had made a tricky lead, instead of finessing — and suffering immediate defeat after another diamond play — he put up the heart ace and cashed two club winners. This put some pressure on East, who gave up one spade and, reluctantly, his remaining heart.

If he had thrown another spade, South could have made three tricks in that suit by force. And if he had parted with a diamond, it would have been safe for the declarer to lead a heart honor.

As it was, the stage was now set. The spade queen was led, and West was forced to cover. The ace won, the jack was cashed, and another spade lead end-played East. He was left with two diamonds, and the ten dummy won the last trick to fulfill the game. Instead of diamonds being South's downfall, they turned out to be his salvation.

This was a fine playing effort by a remarkable man. And when at some future time, as is very likely, the Shanghai players make their mark in world bridge as representatives of the People's Republic, Dr. Chang will deserve at least some of the credit.

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February 10, 1982

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(1) Bank of the West	\$F 10.00	
<b>BANK OF THE MIDDLE EAST</b>		
(1) Bank of the Middle East	\$F 10.00	
(1) Bank of the Middle East	\$F 10.00	
(1) Bank of the Middle East	\$F 10.00	
<b>BANK OF THE NORTH PACIFIC</b>		
(1) Bank of the North Pacific	\$F 10.00	
(1) Bank of the North Pacific	\$F 10.00	
(1) Bank of the North Pacific	\$F 10.00	
<b>BANK OF THE SOUTH PACIFIC</b>		
(1) Bank of the South Pacific	\$F 10.00	
(1) Bank of the South Pacific	\$F 10.00	
(1) Bank of the South Pacific	\$F 10.00	
<b>BANK OF THE WEST</b>		
(1) Bank of the West	\$F 10.00	
(1) Bank of the West	\$F 10.00	
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<b>BANK OF THE MIDDLE EAST</b>		
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<b>BANK OF THE NORTH PACIFIC</b>		
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<b>BANK OF THE SOUTH PACIFIC</b>		
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<b>BANK OF THE MIDDLE EAST</b>		
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<b>BANK OF THE NORTH PACIFIC</b>		
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<b>BANK OF THE SOUTH PACIFIC</b>		
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<b>BANK OF THE MIDDLE EAST</b>		
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<b>BANK OF THE SOUTH PACIFIC</b>		
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<b>BANK OF THE MIDDLE EAST</b>		
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<b>BANK OF THE SOUTH PACIFIC</b>		
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<b>BANK OF THE MIDDLE EAST</b>		
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<b>BANK OF THE NORTH PACIFIC</b>		
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(1) Bank of the North Pacific	\$F 10.00	
<b>BANK OF THE SOUTH PACIFIC</b>		
(1) Bank of the South Pacific	\$F 10.00	
(1) Bank of the South Pacific	\$F 10.00	
(1) Bank of the South Pacific	\$F 10.00	
<b>BANK OF THE WEST</b>		
(1) Bank of the West	\$F	







